

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the fiscal year ended December 31, 2000

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 1-9553

VIACOM INC.
(Exact Name Of Registrant As Specified In Its Charter)

DELAWARE 04-2949533
(State or Other Jurisdiction of (I.R.S. Employer
Incorporation Or Organization) 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)

Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class -----	Name of Each Exchange on Which Registered -----
Class A Common Stock, \$0.01 par value	New York Stock Exchange
Class B Common Stock, \$0.01 par value	New York Stock Exchange
6.75% Senior Notes due 2003	American Stock Exchange
7.75% Senior Notes due 2005	American Stock Exchange
7.625% Senior Debentures due 2016	American Stock Exchange

Securities Registered Pursuant to Section 12(g) of the Act:

None
(Title Of Class)

Indicate by check mark whether registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of
1934 during the preceding 12 months (or for such shorter period that the
registrant was required to file such reports) and (2) has been subject to such
filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item
405 of Regulation S-K is not contained herein, and will not be contained, to
the best of registrant's knowledge, in definitive proxy or information
statements incorporated by reference in Part III of this Form 10-K or any
amendment to this Form 10-K. ☐

As of March 19, 2001, 137,458,566 shares of Viacom Inc. Class A Common
Stock, \$0.01 par value ("Class A Common Stock"), and 1,644,694,576 shares of
Viacom Inc. Class B Common Stock, \$0.01 par value ("Class B Common Stock"),
were outstanding. The aggregate market value of the shares of Class A Common
Stock (based upon the closing price of \$46.87 per share as reported by the New
York Stock Exchange on that date) held by non-affiliates was approximately
\$2,049,856,075 and the aggregate market value of the shares of the Class B
Common Stock (based upon the closing price of \$46.60 per share as reported by
the New York Stock Exchange on that date) held by non-affiliates was
approximately \$70,957,111,400.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Viacom Inc.'s Notice of the 2001 Annual Meeting and Proxy
Statement to be filed with the Securities and Exchange Commission pursuant to
Regulation 14A of the Securities Exchange Act of 1934, as amended (the Proxy
Statement) (Part III).

Part I

Item 1. Business.

Background

Viacom Inc. (together with its subsidiaries unless the context otherwise requires, the "Company" or "Viacom") is a diversified worldwide entertainment company with operations, during 2000, in seven segments:

- . CABLE NETWORKS: The Cable Networks segment operates MTV: MUSIC TELEVISION(R), SHOWTIME(R), NICKELODEON(R), NICK AT NITE(R), VH1 MUSIC FIRST(R), TV LAND(R), TNN: THE NATIONAL NETWORK(TM) and CMT: COUNTRY MUSIC TELEVISION(TM), among other program services.
- . TELEVISION: The Television segment consists of the CBS(R) and UPN(R) television networks, 39 owned broadcast television stations, and the Company's television production and syndication business, including KING WORLD PRODUCTIONS(TM) and PARAMOUNT TELEVISION(TM).
- . INFINITY: The Infinity segment operates 184 radio stations through INFINITY BROADCASTING(R), and outdoor advertising properties through INFINITY OUTDOOR(TM) and TDI(R).
- . ENTERTAINMENT: The Entertainment segment includes PARAMOUNT PICTURES(R), which produces and distributes theatrical motion pictures; PARAMOUNT PARKS(R), which owns and operates five theme parks and a themed attraction in the U.S. and Canada; and movie theater and music publishing operations.
- . VIDEO: The Video segment consists of an approximately 82% equity interest in Blockbuster Inc., which operates and franchises BLOCKBUSTER(R) video stores worldwide.
- . PUBLISHING: The Publishing segment publishes and distributes consumer books and related multimedia products, under such imprints as SIMON & SCHUSTER(R), POCKET BOOKS(TM), SCRIBNER(R) and THE FREE PRESS(TM).
- . ONLINE: The Online segment provides online music and children's destinations through Internet sites related to MTV: MUSIC TELEVISION, NICKELODEON, NICK AT NITE, VH1 MUSIC FIRST, and CMT: COUNTRY MUSIC TELEVISION, as well as SonicNet.com, and NickJR.com. In addition, CBS.com offers a broad range of informational, entertainment, news and promotional services. Effective January 1, 2001, the Company will present its online businesses as part of the Cable Networks and Television segments.

The Company was organized in Delaware in 1986 for the purpose of acquiring the stock of a predecessor. In 1994, the Company acquired Paramount Communications Inc. and Blockbuster Entertainment Corporation. On August 10, 1999, Blockbuster Inc. ("Blockbuster") (NYSE: BBI) sold to the public 31 million shares of its Class A common stock at \$15 per share. The Company, through its ownership of all of the 144 million shares of Blockbuster Class B common stock outstanding, retains approximately 82% of the total equity value in, and approximately 96% of the combined voting power of, Blockbuster. In 1999, the Company announced that it intended to split-off Blockbuster by offering to exchange all of its shares of Blockbuster common stock for shares of the Company's common stock. The split-off was subject to approval by the Company's Board of Directors and an assessment of market conditions. The Company no longer has any plans for the split-off of Blockbuster.

During 2000 and in the first quarter of 2001, the Company took several important steps to secure its position as a leading global media and entertainment company. Significant transactions included the following:

- . On May 4, 2000, CBS Corporation ("CBS") merged with and into the Company. At the time of the merger, the Company issued 1.085 shares of its Class B Common Stock for each share of CBS common stock and 1.085 shares of its Series C Preferred Stock for each share of CBS Series B preferred stock. The total purchase price of approximately \$39.8 billion represents the issuance of 825.5 million shares

of Viacom Class B Common Stock, 11,004 shares of Viacom Series C convertible preferred stock (which were subsequently converted into 11.0 million shares of Viacom Class B Common Stock), the estimated fair value of CBS stock options which were assumed by issuing Viacom options, and estimated transaction costs. In addition, Viacom assumed approximately \$3.7 billion of CBS debt.

- . As a result of its merger with CBS, the Company acquired an approximate 64.2% equity interest in Infinity Broadcasting Corporation ("Infinity Broadcasting"). On February 21, 2001 Infinity Broadcasting merged with and into a wholly owned subsidiary of the Company. In connection with the merger, the Company issued 0.592 of a share of Viacom Class B Common Stock for each issued and outstanding share of Infinity Broadcasting Class A common stock resulting in the issuance of approximately 232 million shares of Viacom Class B Common Stock.
- . On August 24, 2000, Infinity Broadcasting completed the acquisition of 18 radio stations from Clear Channel Communications Inc. for \$1.4 billion. The acquisition resulted in Infinity Broadcasting expanding into five new top 50 radio markets and owning over 180 radio stations. During June 2000, Infinity Broadcasting completed the acquisition of Giraudy SA, one of France's largest outdoor advertising companies, for approximately \$400 million. Infinity Broadcasting also acquired SMA Societa Manifetti ed Affissione S.p.A, one of the leading Italian outdoor media sales companies, for approximately \$90 million.
- . On November 3, 2000, the Company announced an agreement to acquire BET Holdings II, Inc. ("BET"), which operates the BET: BLACK ENTERTAINMENT TELEVISION(R) and BET ON JAZZ(R) cable networks. On January 23, 2001, the Company completed its acquisition of BET for a total purchase price of approximately \$3.0 billion, which principally represents the issuance of approximately 43.4 million shares of Viacom Class B Common Stock and the assumption by the Company of approximately \$590 million in debt. Beginning in the first quarter of 2001, BET will be reported in the Cable Networks segment.

As of March 19, 2001, National Amusements, Inc. ("NAI"), a closely held corporation that owns and operates approximately 1,400 movie screens in the U.S., the U.K. and South America, beneficially owned approximately 68% of the Company's Class A Common Stock, and approximately 11% of the Company's Class A Common Stock and Class B Common Stock on a combined basis. NAI is not subject to the reporting requirements of the Securities Exchange Act of 1934, as amended. Sumner M. Redstone, the controlling shareholder of NAI, is the Chairman of the Board and Chief Executive Officer of the Company.

The Company's principal offices are located at 1515 Broadway, New York, New York 10036 (telephone 212/258-6000).

For additional information about principal acquisitions and divestitures, see Notes 3 and 5 to the Consolidated Financial Statements.

Viacom Segments

Cable Networks

The Company owns and operates advertiser-supported basic cable television program services through its MTV Networks ("MTVN") division and premium subscription television program services through Showtime Networks Inc. ("SNI") in the U. S. and internationally.

Generally, the Company's cable networks are offered to customers of cable television operators, distributors of direct-to-home satellite services ("DTH") and other multichannel distributors. Cable television is currently the predominant means of distribution of the Company's program services in the U.S. Internationally, the predominant distribution technology varies territory by territory.

MTV Networks. In the U.S., MTVN's owned and operated program services include MTV: MUSIC TELEVISION ("MTV"), MTV's spin-off, MTV2: MUSIC TELEVISION(TM) ("MTV2"), NICKELODEON, NICK AT NIGHT, TV LAND, VH1 MUSIC FIRST ("VH1"), CMT: COUNTRY MUSIC TELEVISION ("CMT"), and TNN: THE NATIONAL NETWORK ("TNN").

MTV's programming consists of music videos and events, augmented by music and general lifestyle information, comedy and dramatic series, animated programs, news specials, interviews, documentaries and other youth-oriented programming appealing primarily to an audience aged 18 to 24. At December 31, 2000 according to the Nielsen Media Research report, MTV reached approximately 77.3 million domestic subscriber households. MTV2, a 24-hour, seven-days-a-week spin-off of MTV, offers a "freeform" music format which features music videos from a broad range of musical genres and artists. MTVN also operates "The Suite from MTV Networks" ("The Suite"), a package of digital television program services, which currently consists of MTV2 and five other music related services, and NOGGIN(R) and two other program services from NICKELODEON. The Suite is offered through DBS distributors and cable operators offering digital technology. During 2000, MTVN also offered THE BOX(R) MUSIC NETWORK, a 24-hour, all music basic cable channel, with technology allowing selection of music videos on a market-by-market basis. On December 31, 2000, THE BOX MUSIC NETWORK was integrated into MTV2. At December 31, 2000, MTV2, with the integration of the subscribers of THE BOX MUSIC NETWORK, had approximately 30.0 million domestic subscriber households (based on subscriber counts provided by each distributor of the service, including cable, DTH and other multichannel programming providers).

NICKELODEON combines acquired and originally produced programs in a pro-social, non-violent format comprising two distinct program units tailored to age-specific demographic audiences: NICKELODEON, targeted to audiences ages 2 to 11 (which includes NICK JR.(R), a program block designed for 2 to 5 year olds, and such popular shows as RUGRATS, BLUE'S CLUES and SPONGEBOB SQUAREPANTS); and NICK AT NITE, which attracts primarily audiences ages 18 to 54 and offers mostly situation comedies from various eras, including I LOVE LUCY, THE DICK VAN DYKE SHOW, THE MARY TYLER MOORE SHOW and TAXI. At December 31, 2000, according to the Nielsen Media Research report, NICKELODEON/NICK AT NITE reached approximately 79.8 million domestic subscriber households. NICKELODEON licenses its brands and characters for and in connection with merchandise, home video and publishing worldwide. NICKELODEON MOVIES(R) develops a mix of story- and character-driven projects based on original ideas and NICKELODEON programming, such as the feature films SNOW DAY, released theatrically on February 11, 2000, and RUGRATS IN PARIS: THE MOVIE, released in fourth quarter 2000 by PARAMOUNT PICTURES, as well as a BLUE'S CLUES direct-to-video movie BLUE'S BIG MUSICAL. Additionally, the Company publishes monthly NICKELODEON MAGAZINE(TM). NICKELODEON GAS GAMES AND SPORTS FOR KIDS(R), a cable program service packaged as part of The Suite, features children's game shows and sports programming for viewers ages 6 to 11, and includes a related online service. NICKELODEON owns and operates theme park attractions and touring shows under its NICKELODEON RECREATION(TM) unit and interactive public attractions and television production studios under its NICKELODEON STUDIOS(R) unit located at Universal Studios Florida. NICKELODEON also produces original animation at its NICKTOONS(R) Animation Studio in Burbank, California.

TV LAND, a 24-hour, seven-days-a-week spin-off of NICK AT NITE, is comprised of a broad range of well-known television programs from various genres, including comedies, dramas, westerns, variety and other formats from the 1950s through the 1980s, including THE HONEYMOONERS, THE ANDY GRIFFITH SHOW, LEAVE IT TO BEAVER and CHARLIE'S ANGELS. At December 31, 2000, according to the Nielsen Media Research report, TV LAND reached approximately 55.5 million domestic subscriber households.

VH1 presents music and related programming directed at an audience aged 25 to 49 with an emphasis on series which feature viewers' favorite music and artists such as VH1 BEHIND THE MUSIC, STORYTELLERS, POP UP VIDEO, VH1 BEFORE THEY WERE ROCK STARS and VH1 ALL ACCESS. In addition, VH1 airs music videos, concerts, special events and musically themed movies. In April 2000, VH1 aired DIVAS 2000: A TRIBUTE TO DIANA ROSS, followed in November 2000 with its debut of the first MY VH1 MUSIC AWARDS, where nominees and winners were determined by fans voting online. In December 2000, VH1 had

its most successful original movie premiere with A DIVAS CHRISTMAS CAROL. The VH1 SAVE THE MUSIC(R) Foundation, in connection with VH1's cable television and satellite affiliates, restored music education programs to 214 schools in 40 communities while also winning the Governors' Award from the Academy of Television Arts & Sciences, the George Foster Peabody Award for broadcasting and cable excellence and the Beacon Award presented by the Cable Television Public Affairs Association. At December 31, 2000, according to the Nielsen Media Research report, VH1 reached approximately 74.2 million domestic subscriber households.

CMT is an advertiser-supported, 24-hour cable network which presents country music videos, and related events, lifestyle and entertainment programming. Its programming in 2000 included CMT All ACCESS, a monthly series of concerts featuring country music artists, and special events such as CHICKS MUSIC TELEVISION featuring a variety of programs showcasing the Dixie Chicks. The Company offers CMT in the U.S. and, through a minority joint venture, in Canada. At December 31, 2000, according to the Nielsen Media Research report, CMT reached approximately 44.7 million domestic subscriber households.

TNN (formerly TNN: The Nashville Network(R)) is an advertiser-supported general entertainment cable network with a focus on popular lifestyle and entertainment programming. The Company offers TNN in the U.S. and, as a non-advertiser supported service, in Canada. At December 31, 2000, according to the Nielsen Media Research report, TNN reached approximately 79.2 million domestic subscriber households and Mediastat reports TNN's Canadian distribution at 6.3 million households. TNN's programming includes the highly rated series WWF RAW IS WAR, as well as popular movies and favorite off-net television series such as STARKY AND HUTCH and THE DUKES OF HAZZARD, and sports, including professional bull-riding, motor sports, fishing and other outdoor sports.

MTV FILMS(TM), in association with PARAMOUNT PICTURES, produced THE ORIGINAL KINGS OF COMEDY which was released by PARAMOUNT PICTURES in 2000, and, with PARAMOUNT PICTURES, is currently producing ORANGE COUNTY. MTV FILMS also produced SAVE THE LAST DANCE, with PARAMOUNT PICTURES, released in January 2001. MTV has also launched lines of home videos, consumer products and books, featuring MTV programming and personalities. In addition, MTV pursues broadcast network and first-run syndication television opportunities through MTV PRODUCTIONS(TM).

Internationally, MTVN owns and operates, participates in as a joint venturer, and licenses third parties to operate, MTVN program services, including MTV and NICKELODEON programming. The MTVN international program services are described in the chart that follows. Most of the MTVN international program services are regionally customized to suit the local tastes of their young adult viewers by the inclusion of local music, programming and on-air personalities, and use of the local language. MTV Networks Europe is Europe's most widely distributed cable and satellite network comprising 16 individual music channels, including MTV (9 regionalized services), VH1 (3 services), MTV2, MTV Extra(TM), MTV Base, and VH1 Classic(TM). The network currently reaches more than 90 million households in Europe via a combination of satellite, cable, and terrestrial distribution.

MTVN, in exchange for cash and advertising time or for promotional consideration only, licenses from record companies music videos for exhibition on MTV, MTV2, VH1, CMT and other MTVN program services. MTVN has entered into multi-year global or regional music video licensing agreements with certain of the major record companies. These agreements generally cover a three to five year period and contain provisions regarding video debut and exclusivity for a limited number of music videos in the U.S. MTVN also is negotiating and expects to renew or initiate additional global or regional license agreements with the other major record companies and independent labels. However, there can be no assurance that such renewals or agreements can be concluded on favorable terms (see "Viacom Segments--Competition--Cable Networks").

MTVN derives revenues principally from two sources: the sale of time on its own networks to advertisers and the license of the networks to cable television operators, DTH and other distributors. The sale of MTVN advertising time is affected by viewer demographics, viewer ratings and market conditions for advertising time. Adverse changes to any of these factors could have an adverse effect on revenues. In addition, continued consolidation among cable operators could have an adverse effect on MTVN's license fee revenue (see "Viacom Segments--Competition--Cable Networks").

International MTVN Program Services

The following table sets forth information regarding MTVN program services operated internationally:

Program Service -----	Territory -----	Ownership -----	Regional Feeds/Language(1) -----	Launch/ Commencement Date -----
MTV Europe (includes MTV: Music Television and MTV Base, MTV Extra and MTV2)	40 territories, including all EU states, Eastern and Central Europe, South Africa, certain countries in the former Soviet Union, the Middle East, Egypt, Faroe Islands, Israel, Liechtenstein, Malta and Moldova	100% by the Company	9 Regional Feeds (U.K., Netherlands, Scandinavia, Poland, Spain, France, Central, South and European) all in or mainly in English (except for Central presented in German, Poland presented in Polish and South presented in Italian)	Various: August 1987-2000.
MTV Latin America	Latin America, the Caribbean, Brazil and the U.S.	100% by the Company	3 Regional Feeds in Spanish	October 1993
MTV Brasil	Brazil	Joint Venture (with Abril S.A.)	Portuguese	October 1990
MTV Asia	Taiwan, certain provinces in China*, Brunei, Thailand, Singapore, Philippines, Indonesia, Malaysia, Vietnam, Hong Kong*, South Korea*, Papua New Guinea, India, Sri Lanka, Bangladesh, Nepal and Pakistan	Joint Venture (with PolyGram N.V.)	English, Mandarin, Bahasa Indonesian, Tagalog, Hindi, and Korean	April 1995
MTV Australia	Australia	Licensing Arrangement (with Optus Vision Pty Limited)	English	March 1997
MTV Russia	Russia	Joint Venture (with Russia Partners Company, L.P., Biz Enterprises and others)	Russian	September 1998
MTV Japan	Japan	Joint Venture with @Japan Media K.K. and others)	Japanese	January 1, 2001
Nickelodeon Latin America	Latin America, Brazil and the Caribbean	100% by the Company	Spanish, Portuguese and English	December 1996
Nickelodeon Nordic*	Nordic region (including Sweden, Norway, Denmark and Finland)	100% by the Company	Swedish, Norwegian and Danish	February 1997
Nickelodeon U.K.*	U.K.	Joint Venture (with British Sky Broadcasting Limited)	English	September 1993- Nick September 1999- Nick Jr.
Nickelodeon Australia	Australia	Joint Venture (with XYZ Entertainment Pty Ltd.)	English	October 1995
Nickelodeon Spain*	Spain	100% by the Company	Spanish	March 1999
Nickelodeon Global Network Ventures(2)	Japan, CIS/Baltic Republics, India, Poland*, Hungary*, Africa*, Malaysia, New Zealand, Romania, Indonesia, Philippines, Singapore, Turkey,	100% by the Company	Japanese, Russian, Magyar, English, Polish and Romanian	November 1998

Bangladesh, Nepal and
Malta

VH1 U.K./VH1 Export/ VH1 Classic	All EU states, the Middle East, Africa, Scandinavia, Israel, Malta, Moldova, South Africa and Eastern Europe	100% by the Company	English	September 1994
VH1 Germany	Germany and Austria	100% by the Company	German	May 1995

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- * Denotes program services that are not 24 hours-a-day/seven-days-a-week.
- (1) All MTV and VH1 program services include English language music videos.
- (2) Nickelodeon Global Network Ventures consists of eleven different services with customized programming for targeted markets.

Showtime Networks Inc. SNI owns and operates three commercial-free, premium subscription television program services in the U.S.: SHOWTIME, offering recently released theatrical feature films, original motion pictures and series, family entertainment, and boxing and other special events; THE MOVIE CHANNEL(R), offering recently released theatrical feature films and related programming; and FLIX(R), featuring theatrical feature films primarily from the 70s, 80s and 90s as well as selected other titles. At December 31, 2000, SHOWTIME, THE MOVIE CHANNEL and FLIX, in the aggregate, had approximately 28.4 million subscriptions in the 50 states and certain U.S. territories. SUNDANCE CHANNEL(R), a joint venture (among SNI, an affiliate of Robert Redford and Universal Studios) managed by SNI, is a commercial-free premium subscription television program service in the U.S., dedicated to independent film, featuring top-quality American independent films, documentaries, foreign and classic art films, shorts and animation, with an emphasis on recently released titles.

SNI also owns and operates several multiplexed versions of SHOWTIME and THE MOVIE CHANNEL in the U.S., including SHOWTIME BEYOND(R), a genre-based channel featuring sci-fi, horror and fantasy programming, and SHOWTIME EXTREME(R), a genre-based channel featuring action/adventure programming. On March 1, 2001, SNI launched SHOWTIME NEXT(TM), a channel targeting 18-24 year-olds, SHOWTIME WOMEN(TM), focusing on women in front of and behind the camera, and SHOWTIME FAMILYZONE(TM), a channel featuring no R-rated programming. SNI also transmits a high definition television version of SHOWTIME. In addition, SNI jointly owns an advertiser-supported basic television program service in Spain named SHOWTIME EXTREME(R) with Media Park, S.A., a leader in thematic channel production based in Barcelona. At the end of 2000, SNI entered into a joint venture with Zone Vision Enterprises, Limited, a UK company, for the production and distribution of an advertiser-supported action-oriented basic television program service in Turkey. The channel was launched in January 2001 under the name SHOWTIME(TM).

SNI also provides special events, such as sports and musical events, to licensees on a pay-per-view basis. SHOWTIME EVENT TELEVISION(TM) is a pay-per-view distributor of these special events, including boxing events. This unit has produced and distributed seven of the top ten pay-per-view events of all time, including the top two: Tyson vs. Holyfield I and Holyfield vs. Tyson II. SHOWTIME EVENT TELEVISION has also been instrumental in bringing other events to the viewing public, such as DORITOS PRESENTS DREW CAREY'S IMPROV ALL STARS, as well as numerous music concerts, including THE LAST KISS, SPICE GIRLS IN CONCERT--WILD!, THE BACKSTREET BOYS, TINA TURNER and THE ROLLING STONES.

The costs of acquiring premium television rights to programming and producing original motion pictures and series are the principal expenses of SNI. In order to exhibit theatrical motion pictures on premium subscription television, SNI enters into commitments to acquire rights, with an emphasis on acquiring exclusive rights for SHOWTIME and THE MOVIE CHANNEL, from major or independent motion picture producers and other distributors. SNI's exhibition rights cover the U.S. and may, on a contract-by-contract basis, cover additional territories. SNI has the exclusive U.S. premium subscription television rights to all PARAMOUNT PICTURES' feature films theatrically released beginning January 1, 1998, as well as non-exclusive rights to certain titles from PARAMOUNT PICTURES' film library (see "Viacom Segments--Entertainment"). SNI also has significant theatrical motion picture license agreements with other motion picture producers and distributors, including Metro-Goldwyn-Mayer Studios Inc. ("MGM"), Artisan Pictures Inc., and Buena Vista Television (a subsidiary of The Walt Disney Company) for Dimension Films theatrical pictures, covering motion pictures initially theatrically released through dates ranging from December 31, 2001 to December 31, 2008. Theatrical motion pictures that are licensed to SNI on an exclusive basis are generally exhibited first on SHOWTIME and THE MOVIE CHANNEL after an initial period or "window" for theatrical, home video and pay-per-view exhibition and before the period commenced for standard broadcast television and basic cable television exhibition. Many of the motion pictures which appear on FLIX have been previously available for standard broadcast and other exhibitions (but are shown on FLIX unedited and commercial-free).

SNI also arranges for the development, production, acquisition and, in many cases, distribution of original programs, series and motion pictures. SNI's original series include RESURRECTION BLVD., the first English-language U.S. dramatic television series that predominantly features Hispanics both in front of and behind the

camera, and SOUL FOOD, a series (based on the theatrical motion picture of the same name) that follows the struggles, rivalries and triumphs of a multi-generational African-American family. SNI's original motion pictures have received numerous industry awards over the years, including the prestigious Golden Globe Award for "Best Mini-Series or Motion Picture Made for Television" for 2000. As part of its original programming strategy, SNI premiered 30 original motion pictures on SHOWTIME in 2000, and expects to premiere approximately 35 original motion pictures in 2001. The producers of some of SNI's original motion pictures are given an opportunity to seek a theatrical release prior to such pictures' exhibition on SHOWTIME or THE MOVIE CHANNEL. If the producers are not successful in obtaining such a theatrical release, these pictures then premiere in the U.S. on SHOWTIME or THE MOVIE CHANNEL. SNI has entered into and plans to continue to enter into co-financing, co-production and/or co-distribution arrangements with other parties to reduce the net cost to SNI for its original motion pictures. In 2000, Hallmark Entertainment Distribution LLC, PARAMOUNT TELEVISION and MGM were the predominant co-producers, co-financiers and co-distributors of SNI's original motion pictures, programs and series for that calendar year. BLOCKBUSTER and SNI have an agreement whereby BLOCKBUSTER will license from SNI the exclusive domestic home video rights to up to 180 SNI original motion pictures and other programs over the period from April 1, 2000 through March 31, 2005.

Cable Networks Joint Ventures. COMEDY CENTRAL(R), a joint venture of the Company and Home Box Office ("HBO"), a unit of AOL Time Warner Inc., is an advertiser-supported basic cable television program service which features comedy programming, including SOUTH PARK. The Company is a joint venturer in GULF DTH ENTERTAINMENT LDC, a satellite direct-to-home platform offering the following channels in the Middle East: MTV, VH1, NICKELODEON, TV LAND and THE PARAMOUNT COMEDY CHANNEL(TM). A joint venture between NICKELODEON and Sesame Workshop (formerly Children's Television Workshop) operates NOGGIN, a 24-hour, seven-days-a-week, non-commercial children's educational program service, distributed by digital cable and satellite, which includes a related online service. NOGGIN's purpose is to educate and entertain 2 to 12 year olds. NOGGIN's programming line-up includes a mix of live action, news, animated and puppet shows, including many acclaimed series such as Sesame Street, Electric Company and BLUE'S CLUES after their initial network runs. MTV Polska, a joint venture between MTV Networks BV, the Dutch subsidiary of MTV Networks Europe, and UPC Programming BV, was established to create, produce and broadcast two new channels: MTV Polska, and VH1 Polska. MTV Polska is broadcast by cable and satellite throughout Poland.

Television

The Television segment consists of the CBS and UPN television networks, 39 owned broadcast television stations, and the Company's television production and syndication business.

Television Networks. The CBS TELEVISION NETWORK(TM) through CBS NEWS(TM), CBS SPORTS(TM) and CBS ENTERTAINMENT(TM) distributes a comprehensive schedule of news and public affairs broadcasts, sports and entertainment programming, and feature films to more than 200 domestic affiliates, 16 of the Company's owned and operated television stations, and to certain overseas affiliated stations. The affiliates serve, in the aggregate, all 50 states and the District of Columbia, reaching virtually every television home in the United States. The CBS TELEVISION NETWORK is responsible for sales of advertising time for its network broadcasts.

CBS NEWS operates a worldwide news organization, providing the CBS TELEVISION NETWORK and the CBS RADIO NETWORK(R) with regularly scheduled news and public affairs broadcasts, including 60 MINUTES, the pioneering news magazine now in its 33rd year, and its offspring, 60 MINUTES II, the CBS EVENING NEWS WITH DAN RATHER, 48 HOURS, THE EARLY SHOW, FACE THE NATION, THE SATURDAY EARLY SHOW and CBS NEWS SUNDAY MORNING--as well as special reports. CBS NEWS maintains 18 news bureaus and offices around the world, in addition to its headquarters operations in New York City. CBS Radio News serves more than 2000 radio stations with hourly newscasts, instant coverage of breaking stories, special reports, updates, features, customized reports and news feed material. Among its many features

are "World News Roundup," and "The World Tonight." CBS News Productions, the off-network production company created by CBS NEWS, produces original nonfiction programming for domestic and international outlets, including the cable television, home video, CD-ROM, audio-book and in-flight markets, as well as schools and libraries.

CBS SPORTS broadcasts comprehensive regular-season golf and college basketball lineups on network television, in addition to the NFL's American Football Conference schedule and championship games. CBS SPORTS' 2000-2001 broadcast schedule was highlighted by Super Bowl XXXV. Among the events CBS SPORTS airs are THE NFL TODAY; NCAA basketball, including the men's Final Four and championship games; golf, including the Masters and PGA Championship; the U.S. Open Tennis Championships; college football; CBS SPORTS SPECTACULAR, including track and field and gymnastics, and NCAA championships, including the College World Series. Extending its franchises off the field, CBS SPORTS has launched a licensing program that will showcase its logo on apparel and sports equipment and has formed a marketing unit to develop licensing, merchandising, multimedia and other business opportunities for advertisers and event organizers.

CBS ENTERTAINMENT is responsible for acquiring or developing and scheduling the entertainment programming presented on the CBS TELEVISION NETWORK which includes primetime comedy and drama series, new television movies and mini-series, theatrical films, specials, children's programs, daytime dramas, game shows and late-night broadcasts. In the past year, the Company introduced to U.S. audiences the highly successful reality-based SURVIVOR series. CBS ENTERTAINMENT has introduced two dramas in the 2000-2001 season, CSI: CRIME SCENE INVESTIGATION and THE DISTRICT, and a new comedy YES, DEAR. Its shows include EVERYBODY LOVES RAYMOND, BECKER, THE KING OF QUEENS, JUDGING AMY, TOUCHED BY AN ANGEL, JAG and FAMILY LAW. The division presents two movie franchises, a lineup of specials that includes THE GRAMMY AWARDS, THE CMA AWARDS and THE KENNEDY CENTER HONORS, and THE LATE SHOW WITH DAVID LETTERMAN. The CBS Daytime lineup and the drama THE YOUNG AND THE RESTLESS have been rated number one in the daypart by Nielsen Media Research for 12 consecutive years.

In 1997, the Company acquired a 50% interest in the UNITED PARAMOUNT NETWORK(R) ("UPN") from BHC Communications, Inc. ("BHC"), a subsidiary of Chris-Craft Industries, Inc. In March 2000, BHC sold to the Company the remaining 50% interest in UPN for \$5 million. After the May 2000 merger with CBS, pursuant to which the Company acquired the CBS TELEVISION NETWORK, the Federal Communications Commission (the "FCC" or the "Commission") ordered the Company to come into compliance with its rule prohibiting a single entity from operating two networks within 12 months of the merger closing date. The FCC subsequently proposed to eliminate this rule. (See "Viacom Segments--Regulation--Broadcasting").

At December 31, 2000, UPN provided 23 hours of programming a week, including two-hour prime-time programming blocks five nights per week, to affiliates in 177 U.S. television markets, reaching approximately 96% of all U.S. television households, including secondary affiliates. Nineteen of the Company's owned television stations and two stations which the Company programs pursuant to local marketing agreements ("LMAs") are affiliates of UPN.

Television Stations. The Company owns 39 television stations, all of which operate under licenses granted by the FCC pursuant to the Communications Act of 1934, as amended (the "Communications Act"). The licenses are renewable every eight years. In addition to these 39 owned stations, the Company operates two additional commercial television stations--(WTVX-TV in West Palm Beach--Ft. Pierce, FL and WLWC-TV in Providence, RI--New Bedford, MA), pursuant to LMAs.

The Company's television stations are located in the 12 largest, and 18 of the top 20, television markets in the United States. Consistent with the 1999 liberalization of the FCC's local ownership rules, the Company has duopolies in 6 major markets: Philadelphia (market #4), Boston (market #6), Dallas (market #7), Detroit (market #9), Miami (market #16) and Pittsburgh (market #20). The 39 owned stations reach approximately 48% of all U.S. television households, which equals approximately 41% of U.S. television households under the FCC

national ownership limitation. The FCC's order approving the merger of Viacom and CBS requires that the Company be in compliance with the FCC's national ownership limitation of 35% by May 4, 2001. The Company has challenged the rule in federal court and is seeking a stay of the requirement to come into compliance with the limit pending judicial review of the national ownership cap (See "Viacom Segments--Regulation--Broadcasting").

The stations produce news and broadcast public affairs and other programming to serve their local markets and offer CBS or UPN television network and syndicated programming. Many of the Company's television stations currently operate Web sites which promote the stations' talent and programming, and provide news, information and entertainment, as well as other services.

Currently, broadcast signals are, for the most part, transmitted in analog form. However, in April 1997, the FCC assigned each existing television station a six MHz channel to be used for the broadcast of digital television. The FCC adopted a time schedule under which stations are required (absent conditions beyond their control) to construct digital transmission facilities and begin digital operations. The schedule has staggered deadlines depending upon a station's market size and whether the station is affiliated with a major broadcast television network (CBS, ABC, NBC, or FOX). Under the schedule, the Company was required to construct digital transmission facilities for its eight CBS network affiliated stations in the top ten markets by May 1, 1999, and by November 1, 1999, for its seven CBS network affiliated stations in the 11th through 30th markets. The Company is required to construct digital facilities for the five CBS network affiliated stations in markets below the top 30, as well as for its UPN network affiliated stations in all markets, by May 1, 2002. The Company is currently transmitting digital broadcasts for CBS network affiliated owned and operated stations in New York, Los Angeles, Philadelphia, San Francisco, Boston, Dallas (low power), Detroit, Pittsburgh and Baltimore. The Company is currently transmitting digital broadcasts for UPN network affiliated owned and operated stations in Dallas and Detroit.

Television Stations

The table below sets forth the 39 television stations owned by the Company and the two television stations operated by the Company pursuant to LMAs.

Station and Metropolitan Area Served(1)	Market Rank(2)	Type/ Channel	Network Affiliation
WCBS-TV..... New York, NY	1	VHF/2	CBS
KCBS-TV..... Los Angeles, CA	2	VHF/2	CBS
WBBM-TV..... Chicago, IL	3	VHF/2	CBS
KYW-TV..... Philadelphia, PA	4	VHF/3	CBS
WPSG-TV..... Philadelphia, PA	4	UHF/57	UPN
KPIX-TV..... San Francisco, CA	5	VHF/5	CBS
WBZ-TV..... Boston, MA	6	VHF/4	CBS
WSBK-TV..... Boston, MA	6	UHF/38	UPN
KTVT-TV..... Dallas-FT. Worth, TX	7	VHF/11	CBS
KTXA-TV..... Dallas-FT. Worth, TX	7	UHF/21	UPN
WDCA-TV..... Washington, DC	8	UHF/20	UPN
WKBD-TV..... Detroit, MI	9	UHF/50	UPN
WWJ-TV..... Detroit, MI	9	UHF/62	CBS
WUPA-TV..... Atlanta, GA	10	UHF/69	UPN
KTXH-TV..... Houston, TX	11	UHF/20	UPN
KSTW-TV..... Seattle-Tacoma, WA	12	VHF/11	UPN
WCCO-TV..... Minneapolis-St. Paul, MN	14	VHF/4	CBS
Satellites:			
KCCO-TV(3)..... Alexandria, MN			CBS
KCCW-TV(4)..... Walker, MN			CBS
WTOG-TV..... Tampa-St. Petersburg, Sarasota, FL	15	UHF/44	UPN
WFOR-TV..... Miami-Ft. Lauderdale, FL	16	VHF/4	CBS
WBFS-TV..... Miami-Ft. Lauderdale, FL	16	UHF/33	UPN
KCNC-TV..... Denver, CO	18	VHF/4	CBS
KMAX-TV..... Sacramento-Stockton-Modesto, CA	19	UHF/31	UPN

Station and Metropolitan Area Served(1)	Market Rank(2)	Type/Channel	Network Affiliation
KDKA-TV..... Pittsburgh, PA	20	VHF/2	CBS
WNPA-TV..... Pittsburgh, PA	20	UHF/19	UPN
WJZ-TV..... Baltimore, MD	24	VHF/13	CBS
WNDY-TV..... Indianapolis, IN	25	UHF/23	UPN
WWHO-TV..... Columbus, OH	34	UHF/53	UPN/WB(5)
KUTV-TV..... Salt Lake City, UT	36	VHF/2	CBS
Satellite: KUSG-TV(6)..... St. George, UT			CBS
WGNT-TV..... Norfolk, Portsmouth, Newport News, VA	40	UHF/27	UPN
WUPL-TV..... New Orleans, LA	41	UHF/54	UPN
KAUT-TV..... Oklahoma City, OK	45	UHF/43	UPN
KEYE-TV..... Austin, TX	60	UHF/42	CBS
KSCC-TV(7)..... Wichita-Hutchinson, KS	65	UHF/36	UPN
WFRV-TV..... Green Bay-Appleton, WI	69	VHF/5	CBS
Satellite: WJMN-TV(8)..... Escanaba, MI	177		CBS
WHDF-TV(9)..... Huntsville-Decatur-Florence, AL	81	UHF/15	UPN

The following two stations are operated by the Company pursuant to LMAs:

WTVX-TV..... West Palm Beach-Ft. Pierce, FL	44	UHF/34	UPN/WB(10)
WLWC-TV..... Providence, RI-New Bedford, MA	50	UHF/28	UPN/WB(11)

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- (1) Metropolitan Area Served is Nielsen Media Research's Designated Market Area.
 - (2) Market Rank based on September 2000 Nielsen Media Research U.S. Television Household Estimates as provided by BIA Media Access.
 - (3) KCCO-TV is operated as a satellite station of WCCO-TV.
 - (4) KCCW-TV is operated as a satellite station of WCCO-TV.
 - (5) WWHO-TV's primary affiliation is with the UPN network. The station has a secondary affiliation with the WB network.
 - (6) KUSG-TV is operated as a satellite station of KUTV-TV.
 - (7) KSCC-TV is operated by Clear Channel Broadcasting, Inc. ("CCB") pursuant to an LMA. On February 24, 2001, pursuant to a contractual right, the Company notified CCB that it would require CCB to acquire the station.
 - (8) WJMN-TV is operated as a satellite station of WFRV-TV.
 - (9) The Company owns an attributable 17.5% interest in WHDF-TV.
 - (10) WTVX-TV's primary affiliation is with the UPN network. The station has a secondary affiliation with the WB network.
 - (11) WLWC-TV's primary affiliation is with the UPN network. The station has a secondary affiliation with the WB network.

Television Production and Syndication. The Company, through CBS ENTERPRISES (including KING WORLD PRODUCTIONS and CBS BROADCAST INTERNATIONAL), PARAMOUNT TELEVISION, SPELLING TELEVISION(R) (including BIG TICKET TELEVISION(R)) and VIACOM PRODUCTIONS acquires or produces, and distributes programming worldwide including series, miniseries, specials and made-for-television movies primarily for broadcast on network television, and first-run and off-network syndicated programming.

The Company's current network programming includes ED (NBC); FRASIER (NBC); BECKER (CBS); DIAGNOSIS MURDER (CBS); JAG (CBS); SOME OF MY BEST FRIENDS (CBS); SABRINA, THE TEENAGE WITCH (WB); MOESHA (UPN); SEVEN DAYS (UPN); THE PARKERS (UPN); STAR TREK: VOYAGER (UPN); CHARMED (WB); 7TH HEAVEN (WB); THAT'S LIFE (CBS); and GIRLFRIENDS (UPN). Generally, a network will license a specified number of episodes for exhibition on the network in the U.S. during a license period. The bulk of remaining distribution rights, including foreign and off-network syndication rights, are typically retained by the Company. The episodic network license fee is normally less than the costs of producing each series episode; however, in many cases, the Company has been successful in recouping a portion of its costs through domestic syndication of episodes after their network runs or by obtaining international sales through its licensing operations. Foreign sales are generally concurrent with U.S. network runs. Generally, a series must have a network run of at least three or four years to be successfully sold in domestic syndication.

In off-network syndication, the Company distributes such series as CAROLINE IN THE CITY; EARLY EDITION; FRASIER; MOESHA; SABRINA, THE TEENAGE WITCH; 7TH HEAVEN; SISTER, SISTER; SPIN CITY; STAR TREK: VOYAGER and TOUCHED BY AN ANGEL. Outside the U.S., PARAMOUNT PICTURES INTERNATIONAL, WVI FILMS B.V. and CBS BROADCAST INTERNATIONAL distribute U.S. network series programming.

The Company produces and/or distributes programming for first-run syndication which it sells directly to television stations in the U.S. on a market-by-market basis. The Company's first-run syndicated programming includes such shows as ENTERTAINMENT TONIGHT, ENTERTAINMENT TONIGHT WEEKEND, HOLLYWOOD SQUARES, INSIDE EDITION, JEOPARDY!, JUDGE JOE BROWN, JUDGE JUDY, JUDGE MILLS LANE, MARTHA STEWART LIVING, MAXIMUM EXPOSURE, THE MONTEL WILLIAMS SHOW, THE OPRAH WINFREY SHOW, QUEEN OF SWORDS, REAL TV, RELIC HUNTER and WHEEL OF FORTUNE.

The Company produces and/or distributes original television programming to basic cable program services (such as the television series ANY DAY NOW, BEYOND CHANCE and THE DIVISION, on Lifetime), including services in which the Company has an interest, such as NICK AT NITE, TV LAND and VH1 in the U.S. and PARAMOUNT COMEDY CHANNEL in U.K. and Spain. It also produces and/or distributes for premium subscription services programming such as SOUL FOOD, RESURRECTION BLVD. and THE CHRIS ISAAK SHOW. The Company also co-produces and/or distributes original television programming for foreign television exhibition, including such shows as HOPE ISLAND, HIGHER GROUND, LARGO WINCH and TRIBE.

The recognition of revenues for license fees for completed television programming in syndication and on basic cable is similar to that of feature films exhibited on television with license fees recorded as revenue in the year that programming is available for exhibition which, among other reasons, may cause substantial fluctuation in the Television segment's operating results. At December 31, 2000, the unrecognized revenues attributable to television program license agreements were approximately \$622 million, compared to approximately \$462 million at December 31, 1999.

Infinity

Infinity's operations are focused on the out-of-home media business with operations in radio broadcasting through INFINITY BROADCASTING, and outdoor advertising through INFINITY OUTDOOR and TDI. The

Radio Stations and Outdoor Displays table sets forth selected information with regard to Infinity's radio stations and outdoor displays in the top 25 U.S. radio markets. Infinity characterizes its radio and outdoor advertising businesses as out-of-home because a majority of radio listening, and virtually all viewing of outdoor advertising, takes place in automobiles, transit systems, on the street and other locations outside the consumer's home. Infinity's strategy generally is to acquire out-of-home media properties in the largest markets.

Infinity Radio. INFINITY BROADCASTING, consisting of 184 radio stations serving 41 markets, accounted for approximately 13% of total 2000 U.S. radio advertising expenditures. The Company's stations ranked first or second, in terms of 2000 pro forma radio revenues, in 30 out of the 41 markets in which the Company operates stations. Approximately 91% of the Company's radio stations are located in the 50 largest radio markets in the United States, and 62% and 97% of the Company's pro forma 2000 net radio revenues were generated in the 10 and 50 largest U.S. markets, respectively. The Company believes that this focus on large markets makes it more appealing to advertisers, enables it to attract more highly skilled management, employees and on-air talent, and enables it to more efficiently manage its business and generate higher levels of cash flow than would be the case if it managed a larger number of smaller stations. Infinity owns the CBS RADIO NETWORK, which is managed by Westwood One, Inc.

Infinity's radio stations serve diverse target demographics through a broad range of programming formats. This diversity provides advertisers with the convenience to select stations to reach a targeted demographic group or to select groups of stations and outdoor advertising properties to reach broad groups of consumers within and across markets. This diversity also reduces its dependence on any single station, local economy, format or advertiser.

Infinity seeks to maintain substantial diversity among its radio stations in many respects. The geographically wide-ranging stations serve diverse target demographics through a broad range of programming formats, such as rock, oldies, news/talk, adult contemporary, sports/talk and country, and Infinity has established leading franchises in news, sports, and personality programming. The overall mix of each radio station's programming is designed to fit the station's specific format and serve its local community. Infinity's general programming strategy includes acquiring significant on-air talent and the rights to broadcast sports franchises and news content for its radio stations. This strategy, in addition to developing loyal audiences for its radio stations, creates the opportunity to obtain additional revenues from syndicating such programming franchises to other radio stations.

Outdoor Advertising. INFINITY OUTDOOR and TDI sell advertising space on various media, including billboards, bulletins, buses, bus shelters and benches, trains, train platforms and terminals throughout commuter rail systems, mall posters and phone kiosks. Infinity has outdoor advertising operations in more than 90 markets in North America, and all 50 of the largest metropolitan markets in the United States, 14 of the 15 largest metropolitan markets in Canada and all of the 45 largest metropolitan markets in Mexico. Additionally, the Company has the exclusive rights to manage advertising space within the London Underground and on more than 90% of the buses in London and the United Kingdom, has the exclusive rights to transit advertising in the Republic of Ireland and parts of Northern Ireland, and has a variety of outdoor advertising displays in the Netherlands, France, Italy, Spain and Finland.

The substantial majority of Infinity's revenues are generated from the sale of local, regional and national advertising. The major categories of out-of-home advertisers include: automotive, retail, healthcare, telecommunications, fast food, beverage, movies, entertainment and services.

Infinity beneficially owns shares and vested warrants representing approximately 18% of the common stock of Westwood One, Inc., which it manages pursuant to a management agreement. Westwood One is one of the leading producers and distributors of syndicated and network radio programming in the U.S. and distributes syndicated and network radio programming to the Company's radio stations as well as to competitors of Infinity.

Seasonal revenue fluctuations are common in the out-of-home media industry and are primarily the result of fluctuations in advertising expenditures by retailers. Infinity's revenues are typically lowest in the first quarter and highest in the fourth quarter.

Radio Stations and Outdoor Displays

The following table sets forth certain selected information with regard to the Company's U.S. radio stations and outdoor displays in the top 25 U.S. markets as of February 23, 2001:

Market	2000 Market Rank By Metro Area Population	Radio			Outdoor Display Type
		Stations	AM/FM	Format	
New York, NY.....	1	WCBS WCBS WFAN WINS WNEW WXRK	FM AM AM AM FM FM	Oldies News Sports News Talk Alternative Rock	Bus, Bus Shelters, Rail, Kiosks, Billboards, Walls, Trestles, "Spectacular Signage," Bulletins, Posters, Mall Posters
Los Angeles, CA.....	2	KCBS KFWB KLSX KNX KROQ KRTH KTWV	FM AM FM AM FM FM FM	Classic Rock News Talk News Alternative Rock Oldies Smooth Jazz	Bus, Bus Shelters, Kiosks, Beach Panels, Bulletins, Walls, Posters, Mall Posters
Chicago, IL.....	3	WBBM WBBM WCKG WJMK WSCR WUSN WXRT	FM AM FM FM AM FM FM	Contemporary Hit, Radio/Dance News Talk Oldies Sports/Talk Country Adult Alternative Rock	Bus, Bus Shelters, Bulletins, Posters, Mall Posters
San Francisco, CA.....	4	KCBS KFRC KFRC KITS KLLC KYCY KYCY	AM FM AM FM FM AM FM	News Oldies Oldies Alternative Rock Modern Adult Contemporary Talk Country	Bus, Bus Shelters, Rail, Cable Cars, Bulletins, Walls, Posters, Mall Posters
Philadelphia, PA.....	5	KYW WIP WOGL WPHT WYSP	AM AM FM AM FM	News Sports Oldies Talk Active Rock	Bus, Bus Shelters, Rail, Bulletins, Mall Posters,
Dallas--Fort Worth, TX..	6	KHVN KLUV KOAI KRBV KRLD KVIL KYNG	AM FM FM FM AM FM FM	Gospel Oldies Smooth Jazz Rhythmic Contemporary Hits News/Talk Adult Contemporary Talk	Bus, Bulletins, Mall Posters
Detroit, MI.....	7	WKRK WOMC WVMV WWJ WXYT WYCD	FM FM FM AM AM FM	Talk Oldies Smooth Jazz News Talk/Sports Country	Bus, Bus Shelters, Bulletins, Posters, Mall Posters
Boston, MA.....	8	WBCN WBMX WBZ WODS WZLX	FM FM AM FM FM	Alternative Modern Adult Contemporary News/Talk/Sports Oldies Classic Rock	Bus, Rail, Mall Posters
Washington, D.C.....	9	WARW WHFS WJFK WPGC WPGC	FM FM FM FM AM	Classic Rock Alternative Rock Talk Urban Contemporary Gospel	Bus, Rail, Mall Posters

Market -----	2000 Market Rank By Metro Area Population	Radio			Outdoor	
		Stations	AM/FM	Format	Display Type	
Houston, TX.....	10	KIKK KIKK KILT KILT	FM AM FM AM	Country Business Country Sports	Bulletins, Mall Posters	
Atlanta, GA.....	11	WAOK WVEE WZGC	AM FM FM	Gospel Urban Contemporary Classic Rock	Bus, Bus Shelters, Rail, Bulletins, Posters, Mall Posters	
Miami-Ft. Lauderdale, FL..	12	--	--	--	Bulletins, Mall Posters	
Seattle-Tacoma, WA.....	14	KBKS KMPS KYCW KYPT KZOK	FM FM AM FM FM	Country Country Adult Contemporary Hit Radio 80's Pop Rock Classic Rock	Bus, Bulletins, Mall Posters	
San Diego, CA.....	15	KPLN KYXY	FM FM	Classic Rock Adult Contemporary	Bus, Bus Shelters, Bulletins, Posters, Mall Posters	
Phoenix, AZ.....	16	KOOL KZON KMLE	FM FM FM	Oldies Alternative Rock Country	Bus Shelters, Bulletins, Posters, Mall Posters	
Minneapolis, MN.....	17	WCCO WLTE WXPT KSGS	AM FM FM AM	News/Talk Adult Contemporary Modern Adult Contemporary Urban Adult Contemporary	Bus, Bulletins, Mall Posters	
Nassau-Suffolk, NY.....	18	--	--	--	Bus, Bulletins	
St. Louis, MO.....	19	KEZK KMOX KYKY	FM AM FM	Soft Rock News/Talk/Sports Adult Contemporary Hot	Bulletins, Posters, Mall Posters	
Baltimore, MD.....	20	WBGR WBMD WJFK WLIF WQSR WWMX WXYV	AM AM AM FM FM FM FM	Gospel Religion Talk Lite Music Oldies Hot Adult Contemporary Contemporary Hit Radio	Mall Posters	
Tampa-St. Petersburg, FL..	21	WLLD WQYK WQYK WYUU WRBQ WSJT	FM FM AM FM FM FM	Rhythmic Contemporary Hit Radio Country Sports/Talk Oldies Country Smooth Jazz	Bulletins, Mall Posters	
Pittsburgh, PA.....	22	KDKA WBZZ WDSY WZPT	AM FM FM FM	News/Talk Contemporary Hit Radio Top 40 Country Hot Adult Contemporary	Bus, Bulletins, Mall Posters	
Denver, CO.....	23	KDJM KIMN KXKL	FM FM FM	Jammin' Oldies Adult Contemporary Oldies	Bus Benches, Bulletins, Posters, Mall Posters	
Cleveland, OH.....	24	WNCX WDOK WQAL WZJM	FM FM FM FM	Classic Rock Soft Adult Contemporary Hot Adult Contemporary Jammin' Oldies	Bulletins, Mall Posters	
Portland, OR.....	25	KVMX KINK KKJZ KUFO KUPL KUPL	FM FM FM FM FM AM	Modern Adult Contemporary Adult Album Alternative Smooth Jazz Album Oriented Rock Country Classic Country	Bulletins, Mall Posters	

Entertainment

The Entertainment segment's principal businesses are PARAMOUNT PICTURES, which produces and distributes motion pictures; PARAMOUNT PARKS, which operates five regional theme parks and a themed attraction in the U.S. and Canada; FAMOUS PLAYERS(R), which operates movie theaters; and FAMOUS MUSIC(R).

Theatrical Motion Pictures. Through PARAMOUNT PICTURES, the Company produces, finances and distributes feature motion pictures. Motion pictures are produced by PARAMOUNT PICTURES, produced by independent producers and financed in whole or in part by PARAMOUNT PICTURES, or produced by others and distributed by PARAMOUNT 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 videocassettes, discs and DVDs, pay-per-view television, premium subscription television, network television, basic cable television and syndicated television exploitation. During 2000, PARAMOUNT PICTURES produced or co-produced and theatrically released 12 feature motion pictures in the U.S., including WONDER BOYS, RULES OF ENGAGEMENT, MISSION: IMPOSSIBLE 2, SHAFT and WHAT WOMEN WANT; THE ORIGINAL KINGS OF COMEDY produced by MTV FILMS in association with PARAMOUNT PICTURES; and SNOW DAY and RUGRATS IN PARIS: THE MOVIE produced by NICKELODEON MOVIES in association with PARAMOUNT PICTURES. PARAMOUNT PICTURES currently plans to release approximately 17 films in 2001 (which release plans may change due to a variety of factors), including DOWN TO EARTH, ENEMY AT THE GATES, ALONG CAME A SPIDER, TOMB RAIDER, RAT RACE, DOMESTIC DISTURBANCE, FOUR FEATHERS, and VANILLA SKY, and ZOOLANDER produced by VH1 FILMS(TM) in association with PARAMOUNT PICTURES, SAVE THE LAST DANCE and ORANGE COUNTY produced by MTV FILMS in association with PARAMOUNT PICTURES, and JIMMY NEUTRON-BOY GENIUS produced by NICKELODEON MOVIES in association with PARAMOUNT PICTURES.

PARAMOUNT CLASSICS(TM), a division of PARAMOUNT PICTURES, released seven films in 2000, including SUNSHINE, THE VIRGIN SUICIDES, YOU CAN COUNT ON ME and THE GIFT. PARAMOUNT CLASSICS was established to handle the distribution of specialized film product that may require alternative release strategies from films generally distributed by PARAMOUNT PICTURES. PARAMOUNT CLASSICS currently plans to release approximately six titles in 2001 (which release plans may change due to a variety of factors).

In seeking to limit PARAMOUNT PICTURES' financial exposure, the Company has pursued a strategy with respect to a number of films of entering into agreements to distribute such films produced and/or financed, in whole or in part, with other parties. The parties to these arrangements include studio and non-studio entities, both domestic and foreign. In various of these arrangements, the other parties control certain distribution and other ownership rights.

PARAMOUNT PICTURES generally distributes its motion pictures for theatrical release outside the U.S. and Canada through United International Pictures ("UIP"), a company owned by the Company and an affiliate of Universal Studios, Inc. ("Universal"). Pursuant to an agreement, UIP will continue to distribute each studio's films through 2006. PARAMOUNT PICTURES distributes its motion pictures on videocassette and disc in the U.S. and Canada through PARAMOUNT HOME ENTERTAINMENT(TM) and outside the U.S. and Canada, generally through PARAMOUNT HOME ENTERTAINMENT INTERNATIONAL. Commencing April 2000, PARAMOUNT HOME ENTERTAINMENT INTERNATIONAL started releasing pictures in DVD format in Europe and Japan. PARAMOUNT PICTURES' feature films initially theatrically released in the U.S. on or after January 1, 1998 are exhibited exclusively (to U.S. premium subscription television) on SHOWTIME and THE MOVIE CHANNEL. PARAMOUNT PICTURES also distributes its motion pictures for premium subscription, free and basic cable television release outside the U.S. and Canada and licenses its motion pictures to residential and hotel/motel pay-per-view, airlines, schools and universities.

During 2000, PARAMOUNT PICTURES INTERNATIONAL entered into an agreement with DBS Satellite Services for pay television distribution rights in Israel for current films, library films and television products and PARAMOUNT PICTURES INTERNATIONAL and WVI FILMS B.V. entered into an agreement with Movie Television Inc. for free television distribution rights in Japan for current motion picture and television product. This latter agreement also includes free television distribution rights in Japan for various motion picture and television library product.

In addition to premium subscription television, most motion pictures are also licensed for exhibition on broadcast and basic cable television, with fees generally collected in installments. All of the above license fees for television exhibition (including international and U.S. premium television and basic cable television) are recorded as revenue in the year that licensed films are available for such exhibition, which, among other reasons, may cause substantial fluctuation in PARAMOUNT PICTURES' operating results. At December 31, 2000, the unrecognized revenues attributable to such licensing of completed films from PARAMOUNT PICTURES' license agreements were approximately \$1.0 billion, compared to approximately \$1.2 billion at December 31, 1999. At December 31, 2000, PARAMOUNT PICTURES had approximately 1,000 motion pictures in its library. The Company also has a library of additional motion picture titles, most of which comprise the SPELLING ENTERTAINMENT(TM) library.

Through PARAMOUNT PICTURES and various of its affiliates, the Company is a joint venturer in a number of international program services, including THE PARAMOUNT COMEDY CHANNEL(TM) in the U.K., an afternoon and nighttime (including prime time) program service featuring comedies and films, which is a joint venture with BSkyB. On March 1, 1999, the Company launched THE PARAMOUNT COMEDY CHANNEL(R) in Spain, a wholly owned, 24-hour program service, including a NICKELODEON program segment.

Theatrical Exhibition. The Company's movie theater operations consist primarily of FAMOUS PLAYERS in Canada and United Cinemas International ("UCI") in Europe, Latin America and Asia. At December 31, 2000, FAMOUS PLAYERS, a wholly owned subsidiary of the Company, operated approximately 880 screens in 104 theaters across Canada. UCI, a 50%-owned joint venture of entities affiliated with the Company and Universal, operated as of December 31, 2000, approximately 970 screens in 113 theaters in the U.K., Ireland, Germany, Austria, Spain, Japan, Italy, Poland, Argentina, Brazil, Panama and Taiwan.

As of November 29, 1999, WF Cinema Holdings, L.P. (a limited partnership in which the Company owns a 50% interest and the other 50% is controlled by AOL Time Warner Inc., "WF Cinema") entered into agreements (the "Asset Agreements") with WestStar Cinemas, Inc., WestStar Real Estate, Inc., Colorado Holdings LLC and WestStar Holdings, Inc. (collectively, "WestStar"), which parties are the subject of a Chapter 11 Bankruptcy Code proceeding. Pursuant to the Asset Agreements, WF Cinema agreed to purchase from WestStar various theaters and related assets for a purchase price of \$90 million (which was paid during 2000) and other consideration. The theaters and assets which are the subject of this transaction comprise in large part the assets that were sold by WF Cinema (then known as Cinamerica Theaters L.P.) to WestStar in 1997. WF Cinema has disposed of or closed a number of the theaters that were acquired and currently intends to dispose of or close some of the remaining theaters. The Company and AOL Time Warner have agreed to guarantee certain obligations of WF Cinema as part of these transactions. The Asset Agreements were approved by the Bankruptcy Court on January 12, 2000, and the acquisition by WF Cinema closed on January 28, 2000.

Music Publishing. The FAMOUS MUSIC publishing companies own, control and/or administer all or a portion of the copyright rights to more than 100,000 musical works (songs, scores, 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.

The majority of rights acquired by FAMOUS MUSIC are derived from (i) music acquisition agreements entered into by PARAMOUNT PICTURES, PARAMOUNT TELEVISION, SPELLING TELEVISION, MTVN and various other divisions of the Company respecting certain motion pictures, television programs and other properties produced by such units and (ii) music acquisition agreements entered into directly by FAMOUS MUSIC with songwriters and music publishers, including exclusive songwriting agreements, catalog purchases and music administration agreements.

Parks. PARAMOUNT PARKS owns and operates five regional theme parks and a themed attraction in the U.S. and Canada: PARAMOUNT'S CAROWINDS(R), in Charlotte, North Carolina; PARAMOUNT'S GREAT AMERICA(TM), in Santa Clara, California; PARAMOUNT'S KINGS DOMINION(TM), located near Richmond, Virginia; PARAMOUNT'S KINGS ISLAND(TM), located near Cincinnati, Ohio; PARAMOUNT CANADA'S WONDERLAND(R), located near Toronto, Ontario; and STAR TREK: THE EXPERIENCE(R), at the Las Vegas Hilton, a futuristic, interactive environment based on the popular television and movie series. Each of the theme parks features attractions, products and live shows based on various intellectual properties of the Company.

A substantial amount of the theme parks' income is generated during its seasonal operating period. Factors such as local economic conditions, competitors and their marketing/pricing actions, and extreme weather conditions could negatively impact the business' overall profitability if they come into play during the operating season.

Video

The Company operates in the home video business through its approximately 82% equity interest in Blockbuster Inc. As of December 31, 2000, the Company's video segment, which included BLOCKBUSTER's home video, DVD and video game rental and retailing operations operated or franchised approximately 7,700 stores in the U.S., its territories and 25 other countries. BLOCKBUSTER also operates its Internet site, "blockbuster.com" and is exploring various forms of electronic entertainment delivery including video-on-demand.

In its stores, which operate primarily under the highly recognized BLOCKBUSTER brand name, BLOCKBUSTER offers video movies and video games primarily for rental and also offers certain titles for purchase. BLOCKBUSTER also offers DVDs for rental and for sale in most of its U.S. stores. In addition, BLOCKBUSTER offers previously-viewed tapes and previously-viewed video games for sale. During 2000, BLOCKBUSTER expanded its traditional video rental service through an agreement with DIRECTV, Inc. ("DIRECTV"), a provider of digital television entertainment service. Pursuant to this agreement, BLOCKBUSTER is now marketing DIRECTV System equipment and DIRECTV(R) programming packages in over 3,800 of BLOCKBUSTER's U.S. stores. Blockbuster and DIRECTV have also announced that they plan to introduce a co-branded pay-per-view service during 2001. BLOCKBUSTER also launched a movies-on-demand service on a trial basis in four cities in December 2000. In addition, in February 2001, BLOCKBUSTER entered into a strategic alliance with RadioShack Corporation for the purpose of introducing a RadioShack store-within-a-store concept inside BLOCKBUSTER.

BLOCKBUSTER acquires its VHS movies primarily pursuant to revenue-sharing arrangements that were initially implemented in 1998 with the major motion picture studios, including PARAMOUNT PICTURES. BLOCKBUSTER entered into these arrangements in order to increase the quantity and selection of newly released video titles and to satisfy its customers' demand for newly released videos earlier. For titles acquired under these arrangements, revenue-sharing generally allows BLOCKBUSTER to license videocassettes for minimal up-front payments with a percentage of the U.S. rental revenues shared with the studios over a contractually determined period of time. In addition to acquiring products pursuant to revenue-sharing agreements, BLOCKBUSTER purchases certain products that are not subject to revenue-sharing agreements, at wholesale prices. BLOCKBUSTER also purchases "sell-through" titles, which are movies that are released by the studios at relatively low initial prices in order to generate consumer demand to purchase, rather than rent, them. Almost all DVDs are also released by the studios at sell-through prices. In addition, BLOCKBUSTER also acquires and offers a wide variety of independent and lower-cost movies that are generally exclusively available for a specified period of time at its stores. BLOCKBUSTER also rents video game consoles and DVD players in most of its U.S. stores.

As with other retail outlets, there is a distinct seasonal pattern to the home video and video games business, with particularly weaker business in April and May, due in part to improved weather and Daylight Savings Time, and in September and October, due in part to the start of school and the introduction of new television programs.

Publishing

SIMON & SCHUSTER publishes and distributes consumer hardcover books, trade paperbacks, mass-market paperbacks, children's books, audiobooks, electronic books and CD-ROM products in the U.S. and internationally. SIMON & SCHUSTER's flagship imprints include SIMON & SCHUSTER, POCKET BOOKS, SCRIBNER and THE FREE PRESS. SIMON & SCHUSTER also develops special imprints and publishes titles based on MTV, VH1, NICKELODEON and PARAMOUNT PICTURES products. SIMON & SCHUSTER distributes its products directly and through third parties. SIMON & SCHUSTER also delivers content and promotes its products on Internet sites operated by various imprints or linked to individual titles.

In 2000, SIMON & SCHUSTER published 87 titles which were New York Times bestsellers, including seven New York Times number one bestsellers. Best-selling titles released in 2000 include "NOTHING LIKE IT IN THE WORLD" by Stephen Ambrose, "JOE DIMAGGIO: THE HERO'S LIFE" by Richard Ben Cramer, "BEFORE I SAY GOODBYE" by Mary Higgins Clark, "BLACKBIRD" by Jennifer Lauck, "TALKING DIRTY WITH THE QUEEN OF CLEAN" by Linda Cobb, "ON WRITING" by Stephen King, "AN INVITATION TO THE WHITE HOUSE" by Hillary Rodham Clinton, and "OLIVIA" by Ian Falconer, as well as a number of RUGRATS and BLUE'S CLUE'S books, featuring the popular NICKELODEON characters.

SIMON & SCHUSTER AUDIO(R) publishes audio editions of prominent works published by SIMON & SCHUSTER and by other publishers, as well as the PIMSLEUR(R) line of language instruction. Major titles released as audiobooks in 2000 include "SHOPGIRL" by Steve Martin, "THE MILLIONAIRE NEXT DOOR" by Thomas J. Stanley and William D. Danko, and "WHO MOVED MY CHEESE?" by Spencer Johnson.

Titles published by SIMON & SCHUSTER INTERACTIVE(R) generally consist of CD-ROM editions or product extensions of well-known book publishing properties or titles associated with recognized authors and Company properties, including such 2000 titles as "STAR TREK DEEP SPACE NINE: THE FALLEN," "SABRINA THE ANIMATED SERIES: MAGICAL ADVENTURE" and "M&M'S: THE LOST FORMULAS."

SIMON & SCHUSTER ONLINE(TM), through "SimonSays.com," publishes original content, builds reader communities, and promotes and sells SIMON & SCHUSTER's books and products over the Internet. In 2000, SIMON & SCHUSTER ONLINE, in conjunction with SCRIBNER, published Stephen King's "RIDING THE BULLET," an original story released exclusively in digital form.

International publishing includes the international distribution of English-language titles through SIMON & SCHUSTER UK(TM) and SIMON & SCHUSTER AUSTRALIA(TM) and other distributors, as well as the publication of local titles by SIMON & SCHUSTER UK and SIMON & SCHUSTER AUSTRALIA.

The consumer publishing marketplace is subject to increased periods of demand in the summer months and during the end-of-year holiday season. Major new title releases drive a significant portion of SIMON & SCHUSTER's sales throughout the year.

Consumer books are generally sold on a fully returnable basis, resulting in significant product returns. In the international markets, the Company is subject to global trends and local economic conditions.

Online

Through its 90% equity interest in THE MTVi GROUP, L.P. ("MTVi") and through NICKELODEON ONLINE(TM), the Company operates Internet sites which are targeted to the current audiences of its various MTV, VH1 and NICKELODEON television program services worldwide, as well as to new online audiences. The remaining 10% interest in MTVi is owned by Liberty Digital, Inc. In addition to providing entertainment and information on such Web sites, the Company also sells Company-licensed and third-party merchandise.

MTVi has numerous music Web site destinations around the world, including MTV.com, VH1.com, Country.com and SonicNet.com. In December 2000, MTVi's Web sites attracted over 4 million unique visitors, according to Media Metrix, a leading online audience research measurement service. MTV.com offers users the latest music news, information on artists and MTV programs, and interactive entertainment through convergence programs such as Direct Effect (DFX), Total Request Live (TRL) and VJ for a Day. VH1.com offers users convergent entertainment, music news, fan club information, daily polls and community features.

MTVi currently obtains much of its content from record labels, music publishers and artists. While MTVi obtains certain rights to some of such content (such as performance rights of song composers and non-interactive rights to digital transmission of recordings) pursuant to statutory compulsory licenses, the royalties payable for such compulsory licenses are not yet established or have not yet been negotiated. Other rights are not subject to compulsory licenses and must be negotiated with the individual record labels and other providers. If these providers begin to charge significant fees for their content, or otherwise alter or discontinue their relationship with MTVi, then MTVi's content offering and business, financial condition and operating results could be adversely affected. In addition, because the laws relating to online rights for music and other copyrighted works are evolving, it is possible that parties from whom MTVi currently does not obtain licenses will demand that MTVi obtain them and pay certain fees for usage (see "Viacom Segments--Regulation--Intellectual Property").

NICKELODEON ONLINE operates Web sites that feature NICKELODEON properties, including Nick.com, NickJR.com, TVLand.com, Nick-at-Nite.com, Gas.Nick.com and Teachers.Nick.com. Nick.com is a leading Web site for kids, offering convergent entertainment, online games, entertainment tools and services, Internet radio, information on Nickelodeon celebrities and programs and other content for kids. NickJR.com offers online content for parents and their pre-school aged kids, including advice, parent-to-parent communities, e-commerce, as well as a preschool area featuring interactive games, art, stories and music. In December 2000, NICKELODEON ONLINE's Web sites attracted over 2.8 million unique visitors, according to Media Metrix.

In addition, the Company operates two Web sites, CBS.com and CBSNews.com, which draw visitors from CBS TELEVISION NETWORK programming in all dayparts (daytime, primetime and late night). CBS.com integrates local, national and international news, weather, sports and information on CBS TELEVISION NETWORK programming in one location. The site provides information on CBS ENTERTAINMENT programming (including such features as David Letterman's "Top Ten" list). In early 2001, as a result of the debut of CBS's reality show, SURVIVOR: THE AUSTRALIAN OUTBACK, CBS.com reached its highest visitor levels ever. The site also provides links to a number of sites in which the Company owns an equity interest, including CBS MarketWatch, CBS Sportsline and CBS HealthWatch.

CBSNews.com brings the coverage and reputation of CBS NEWS to the Internet, including multimedia coverage of top stories, coverage of breaking news events and information from CBS NEWS investigations.

During 2000, the Online segment included an investment in iWon, Inc., which operates an Internet portal. Subsequent to December 31, 2000, the successor to iWon will be included with the Company's other Internet investments. Effective January 1, 2001, the Company will present its online businesses as part of the Cable Networks and Television segments. Online revenues are primarily generated by advertising revenues derived from online advertising and on-air promotion and by the sale of merchandise.

The Company also operates Internet sites through its other businesses, such as PARAMOUNT PICTURES, INFINITY BROADCASTING, BLOCKBUSTER, SHOWTIME and SIMON & SCHUSTER, for the purpose of marketing and commerce. Such activity is not reported as part of the Online segment.

Internet Investments: The Company holds minority investments in five public Internet companies: Sportsline.com, Inc. (NASDAQ: SPLN), which publishes several sports Internet sites including CBS.sportsline.com; MarketWatch.com, Inc. (NASDAQ: MKTW), which publishes financial and market data Internet sites including CBS.marketwatch.com; Hollywood Media Corp. (NASDAQ: HOLL), which publishes entertainment content Internet sites, including hollywood.com; Switchboard Incorporated (NASDAQ: SWBD),

which publishes local information directory Internet sites, including switchboard.com; and Medicallogic/Medscape, Inc. (NASDAQ: MDLI), which publishes consumer health Internet sites including CBShealthwatch.medscape.com. Other Internet investments of the Company include minority investments in Office.com, Inc., Content Commerce, L.P., RX.com, Inc. and Wrenchhead.com, Inc.

Competition

Corporate mergers consummated in recent years have resulted in greater consolidation in the entertainment industries, which may also present significant competitive challenges to several of the Company's businesses.

Cable Networks

MTVN Networks. MTVN services compete with other basic cable program services for channel space and compensation for carriage from cable television operators, DTH and other multichannel distributors. MTVN also competes for advertising revenue with other basic cable and broadcast television networks, and radio and print media. For basic cable television networks such as the MTVN services, advertising revenues derived by each program service depend on the number of households subscribing to the service through local cable operators and other distributors in addition to household and demographic viewership as determined by research companies such as Nielsen Media Research. MTVN services also compete with other cable services and broadcast television for the acquisition of popular programming.

Certain major record companies have launched music-based program services outside the U.S., including, but not limited to: Channel V, which is jointly owned and operated in Asia and Australia by Star TV and four major record labels; and Viva and Viva 2, German-language music channels distributed in Germany and owned in large part by four major record labels. In addition to the competition referred to above, MTVN's music-based program services compete with other music-based television program services and blocks for distribution by cable, satellite and other systems, and for distribution license fees and advertising revenues.

Children-oriented programming blocks are currently exhibited on a number of U.S. broadcast television networks, including, among others, "Fox Kids," "Kids' WB" and a Saturday morning block on ABC, all of which compete with NICKELODEON for advertising revenue. There are also a number of other U.S. cable television program services featuring children-oriented programming, including the Cartoon Network, the Disney Channel and the Fox Family Channel. In addition to the competition referred to above, NICKELODEON competes internationally with other television program services and blocks targeted at children for distribution by cable, satellite and other systems, and for distribution license fees and advertising revenue.

Showtime Networks Inc. Competition among premium subscription television program services in the U.S. is primarily dependent on: (i) the acquisition and packaging of an adequate number of recently released quality motion pictures and the production, acquisition and packaging of original motion pictures, original series and other original programs; and (ii) the offering of prices, marketing and advertising support and other incentives to cable operators and other distributors for carriage so as to favorably position and package SNI's premium subscription television program services to subscribers. HBO is the dominant company in the U.S. premium subscription television category, offering two premium subscription television program services, the HBO service and Cinemax. SNI is second to HBO with a significantly smaller share of the premium subscription television category. Starz Encore Media Group (an affiliate of AT&T Corp.) owns the third principal premium subscription television program service in the U.S., Starz!, which features recently released motion pictures and competes with SNI's and HBO's premium program services.

Television

The television broadcast environment is highly competitive. The principal methods of competition in broadcast television are the acquisition of popular programming and the development of audience interest

through programming and promotions in order to sell advertising at profitable rates. Broadcast networks like CBS and UPN compete for audience, advertising revenues and programming with other broadcast networks, independent television stations, basic cable program services as well as other media, including satellite television services, videocassettes, DVDs and the Internet. Television stations compete for programming and for advertising revenues with other stations in their respective coverage areas and, in some cases, with larger station groups for programming, and in the case of advertising revenues, with other local media. In addition, the CBS and UPN television networks compete with other television networks to secure affiliations with independently owned television stations in markets across the country, which are necessary to ensure the effective distribution of network programming to a nationwide audience.

Because an extended conversion to digital television broadcasting has begun current and future technological developments may affect competition within the television marketplace. Technological developments that compress digital signals will increasingly permit the same broadcast, cable, or satellite channel to carry multiple video and data services which could result in an expanded field of competing services. Television broadcasters will continue to operate their current stations while gradually building and operating digital facilities concurrently on separate channels.

As a producer and distributor of programming, the Company competes with studios, television networks and independent producers and syndicators to sell programming both domestically and overseas.

Infinity

The Company's radio stations and outdoor advertising properties compete for audience, advertising revenues and programming directly with other radio stations and outdoor advertising companies, as well as with other media, such as broadcast television, newspapers, magazines, cable television, the Internet and direct mail, within their respective markets.

The radio and outdoor advertising industry is also subject to competition from new media technologies that are being developed or introduced, such as the delivery of audio programming by cable television systems, by satellite and by terrestrial delivery of digital audio broadcasting. The FCC has authorized spectrum for the use of a new technology, satellite digital audio radio services, to deliver audio programming. Satellite digital audio radio service will provide a medium for the delivery by satellite of multiple new audio programming formats to local and national audiences. The FCC also has a pending proceeding which contemplates the use of digital technology by existing terrestrial radio broadcast stations either on existing or alternate broadcasting frequencies. The FCC recently authorized a new "low power" radio or "microbroadcasting" service with the intent of creating opportunities for low cost neighborhood service on frequencies which would not interfere with existing stations.

Entertainment

Theatrical Motion Pictures. The Company competes with other major studios and independent film producers in the production and distribution of motion pictures, videocassettes, discs and DVDs. PARAMOUNT PICTURES' competitive position primarily depends on the quality of the product produced, its distribution and marketing success, and public response. The Company also competes to obtain creative talent and story properties which are essential to the success of all of the Company's entertainment businesses.

Parks. During the last two years, the regional theme park industry has experienced increased consolidation. The Company must now compete in a business environment that is dominated by highly-capitalized, multi-park entertainment corporations. In order to compete effectively, regional theme park operators must differentiate their product by having access to the latest entertainment intellectual property and brands and must reinvest capital to maintain a fresh experience for their repeat-visitor base. The Company believes that its intellectual properties enhance existing attractions and facilitate the development of new attractions, which encourage visitors to the PARAMOUNT PARKS theme parks and STAR TREK: THE EXPERIENCE at the Las Vegas Hilton. The Company's theme parks also compete with other forms of leisure entertainment.

Video

BLOCKBUSTER operates in a highly competitive environment. The Company believes that BLOCKBUSTER's most significant competition comes from (i) video stores and other retailers that rent or sell movies and (ii) providers of direct delivery home viewing entertainment.

Video stores and other retailers that rent or sell movies include, among others, (i) local, regional and national video stores; (ii) mass merchant retailers; (iii) supermarkets, pharmacies and convenience stores; and (iv) online retailers and mail order services. The Company believes that the principal factors that BLOCKBUSTER faces in competing with video stores and other retailers are (a) convenience and visibility of store locations; (b) quality, quantity and variety of titles; (c) pricing; and (d) customer service.

With the development of new technologies, a significant competitive risk to BLOCKBUSTER's video store business comes from direct broadcast satellite, digital cable television and high-speed Internet access. In response to this competition in 2000, BLOCKBUSTER entered the direct broadcast satellite market through its alliance with DIRECTV (see "Viacom Segments--Video"). Direct broadcast satellite, digital cable and "traditional" cable providers not only offer numerous channels of conventional television, but they also offer pay-per-view movies which permit a subscriber to pay a fee to see a selected movie. Because of the increased availability of channels, direct broadcast satellite and digital cable providers have been able to enhance their pay-per-view business by (i) substantially increasing the number and variety of movies they can offer their subscribers on a pay-per-view basis; and (ii) providing more frequent and convenient start times for the most popular movies. Pay-per-view allows the consumer to avoid trips to the video store for rentals and returns of movies, which also eliminates the chance they will incur additional costs for keeping a movie beyond its initial rental term. However, newly released movies are currently made available by the studios for rental prior to being made available for pay-per-view. Pay-per-view also does not allow the consumer to start, stop and rewind the movie or fully control start times. As a result, some digital cable providers and a limited number of Internet content providers have begun implementing technology referred to as "video-on-demand," which technology transmits movies on demand with interactive capabilities such as start, stop and rewind. BLOCKBUSTER also began testing a video-on-demand service in 2000 with its initial movies-on-demand trials. In addition to competing with the video retail industry, video-on-demand competes with other uses of cable and telephony infrastructure, such as the ability to provide Internet access and basic telephone services, some of which may provide higher returns for operators. In addition, video-on-demand providers, including BLOCKBUSTER, may face competition from the studios, which are considering implementing their own video-on-demand service.

Publishing

The consumer publishing business is highly competitive and has been affected by consolidation trends. Recent years have brought a number of significant mergers among the leading consumer publishers. The book superstore has emerged as a significant factor in the industry contributing to the general trend toward consolidation in the retail channel. There have also been a number of mergers completed in the distribution channel.

The Company must compete with other publishers for the rights to works by well-known authors and public personalities.

Online

The online industry is highly competitive and is rapidly evolving and facing changing market conditions, including consolidation, alterations in online advertising spending, slower growth in e-commerce and greater difficulties in accessing public and private financing. Competition among media and Internet companies pursuing online consumers is particularly intense. The Company's online businesses compete for online consumers, advertisers and content providers with leading news/information/entertainment online sites, online portal services and broadcasters, traditional media, retail and record companies and their respective Internet properties, and

online commerce companies. Rivalry for online consumers' attention and leisure time, and associated advertising dollars and e-commerce expenditures by online consumers, will continue to increase for all industry participants.

Web sites maintained by existing and potential competitors may be perceived by online consumers, advertisers and content and other online vendors to be superior to the Company's Web sites. In addition, with respect to MTVi's Web sites, the major record companies, which control the vast majority of recorded music, have started to engage in strategic arrangements, including business combinations, with Internet and Internet-related businesses for the online distribution and other commercialization of their music libraries and artist relationships. As a result of these actions, the Company's online businesses may not be able to maintain or increase online traffic levels on its Web sites, which may negatively affect their advertising and e-commerce revenues.

Regulation

The Company's businesses are either subject to or affected by regulations of 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 the Company's businesses.

Intellectual Property

Domestic and international laws affecting intellectual property are of significant importance to the Company.

WIPO Copyright Treaties. In 1996, delegates to the World Intellectual Property Organization ("WIPO") adopted a proposed Copyright Treaty which will take effect if ratified by 30 nations. As of December 2000, 22 countries, including the U.S., had ratified the Copyright Treaty.

The proposed Copyright Treaty updates the Berne Convention, last revised in 1971, and addresses copyright protection for new technologies that have emerged since that time. It is not possible to predict whether the Copyright Treaty will take effect or how countries would implement the Treaty after ratification. Because the Treaty includes important copyright protections for the digital transmission of content, if ratified, the Treaty likely would have a positive impact on the Company.

The U.S. implementing legislation, known as the Digital Millennium Copyright Act ("DMCA"), which is effective whether or not WIPO is ultimately ratified, affords important new copyright protections, including civil and criminal penalties for the manufacture of, or trafficking in, devices that circumvent copyright protection technologies such as encryption and scrambling, and for the act of circumventing such technologies to gain unauthorized access to a copyrighted work. The DMCA also amends the Copyright Act by creating a new statutory license concerning certain rights related to digital transmissions of sound recordings. The statute provides that new statutory rates for each license will be set either through voluntary negotiations between the interested parties or through Copyright Arbitration Royalty Proceedings.

Copyright Term Extension. In October 1998, Congress passed legislation extending the copyright term an additional twenty years. The extended term is life of the author plus 70 years for authored works and 95 years for works-made-for-hire. This extension puts the U.S. copyright term on par with the European Community. Term extension should have a beneficial effect for the Company over time, including with respect to important publishing properties which otherwise would have passed into the public domain in the next several years.

Compulsory Copyright License.

Multichannel Distributors Other Than DTH. The Copyright Act provides a

compulsory license for the retransmission of broadcast signals by multichannel video distributors such as cable television, MMDS (Multipoint Multichannel Distribution Systems) and SMATV (Satellite Master Antenna Television)

operators. The compulsory license rate paid to programmers for the retransmission of distant broadcast signals by cable, MMDS and SMATV operators is established by statute. There is no licensing fee for the retransmission of local broadcast signals.

DTH. In November 1999, Congress enacted legislation to extend and reform

the Satellite Home Viewer Act (SHVA). The original SHVA legislation created a temporary compulsory license that allowed satellite carriers to import distant broadcast signals to those homes that were unable to receive their local broadcast signals. This distant signal compulsory license was set to expire at the end of 1999. Through the SHVA legislation, Congress extended the distant signal compulsory license until December 31, 2004, and set a statutory compulsory license fee for these distant signals of \$0.189 per subscriber for superstations and \$0.1485 per subscriber for networks. Up to this point, the DTH compulsory license fee was set through negotiations and binding arbitration. In addition, Congress created a new and permanent compulsory license for the retransmission of local broadcast signals back into the local market, the so-called "local-into-local" provision. Unlike the distant signal compulsory license, the local signal compulsory license is royalty-free.

First Sale Doctrine. The copyright "First Sale" doctrine provides that the owner of a legitimate copy of a copyrighted work may use or dispose of it in such manner as the owner sees fit, including by renting it. The First Sale doctrine does not apply to sound recordings or computer software (other than software made for a limited purpose computer, such as a video game platform) for which the Copyright Act vests a rental right (i.e., the right to control the rental of the copy) in the copyright holder. The repeal or limitation of the First Sale doctrine (or conversely, the creation of a rental right vested in the copyright holder) for audiovisual works or for computer software made for limited purpose computers would have an adverse impact on the Company's home video and game rental business. No such legislation is pending in Congress at the present time. However, the Copyright Office is currently conducting a study of the First Sale doctrine and it is unclear whether the Office will recommend that Congress make any changes to the doctrine.

Cable Networks

Cable Rate Regulation. The Cable Television Consumer Protection and Competition Act of 1992 (the "1992 Cable Act") directed the FCC to limit by regulation cable system rates for the "basic service tier" ("BST") (including retransmission consent and must carry broadcast signals and public, educational and governmental channels) and the "cable programming service tier" ("CPST") to a level not to exceed the rates that would be charged in the presence of effective competition. Programming offered on a per-channel or per-program basis is exempt from rate regulation.

Although all rate regulation of the CPST expired on March 31, 1999, local franchising authorities continue to be responsible for regulating the BST. The Company believes that cable rate regulation adversely affects its non-premium cable program services which rely on cable operator license fee support, along with advertising revenues, to maintain the quantity and quality of programming. Rate regulation in this area tends to erode cable operator incentives to invest in programming and particularly in start-up program services.

Program Access. The "program access" provisions of the 1992 Cable Act impose certain pricing and other restrictions on vertically integrated program providers (those program services that are owned in whole or in part by cable operators) with respect to the provision of their program services to multichannel programming distributors, such as cable systems, SMATV systems, MMDS operators and TVRO (TeleVision Receive Only) systems and DBS distributors. Specifically, vertically integrated program services generally are prohibited from entering into exclusive arrangements with cable operators and from discriminating against cable competitors on programming price and other terms. The program access provisions were intended to spur competition to cable providers by facilitating the access of cable competitors to programming owned by cable operators or their affiliates. The Telecommunications Act of 1996 extended the program access rules to program services in which common carriers that provide video programming have an attributable interest.

The Company divested its cable systems in 1996 and, as a result, the Company's wholly owned program services are no longer subject to the program access rules. Legislation which would extend the program access

provisions to non-vertically integrated program services, if enacted, could adversely impact the Company's program services by reducing the Company's flexibility to negotiate the most favorable terms available for the distribution of its content. However, no such legislation is pending in Congress at this time. The FCC, as directed by statute, will launch a rule making proceeding, likely toward the end of the year, to determine whether the existing prohibition against exclusive grants by vertically integrated program services to cable operators should extend beyond 2002.

Programming. Under FCC rules, cable operators must eventually close caption most of their programming on a phased-in basis, which began in January 1998. As a practical matter, however, cable networks assume responsibility for these closed captioning requirements. FCC rules also directed that all television receiver models with screens 13 inches or larger be equipped with "V-chip" technology as of January 1, 2000. This technology, which works in tandem with television ratings (age and content markers), permits parents to block out certain programming from their children. Most cable networks, including those of MTVN and SNI, voluntarily encode their programming with television ratings. In addition, the FCC in August 2000 adopted rules that require the top five basic cable networks to air 50 hours per quarter of programming containing audio descriptions of video for the visually impaired.

Broadcasting

General. Television and radio broadcasting are subject to the jurisdiction of the FCC under the Communications Act of 1934, most recently amended by the Telecommunications Act of 1996. The Communications Act prohibits the operation of broadcasting stations except under a license issued by the FCC and empowers the FCC, among other actions, to:

- . issue, renew, revoke and modify broadcasting licenses;
- . assign frequency bands; determine stations' frequencies, locations and operating power;
- . regulate some of the equipment used by stations;
- . adopt other regulations to carry out the provisions of the Communications Act;
- . impose penalties for violation of such regulations; and
- . impose annual fees as well as fees for processing applications and other administrative functions.

Under the Communications Act, the FCC also regulates certain aspects of the operation of cable television systems and other electronic media that compete with broadcast stations.

License Assignments. The Communications Act requires prior approval for the assignment of a license or transfer of control of a licensee. When passing on an assignment or transfer application, the FCC is prohibited from considering whether the public interest might be served by an assignment or transfer to any party other than the assignee or transferee specified in the application.

License Renewals. Under the Communications Act, the FCC is authorized to renew broadcast licenses for terms of up to eight years. The Communications Act requires renewal of a broadcast license if the FCC finds that:

- . the station has served the public interest, convenience and necessity;
- . there have been no serious violations of either the Communications Act or the FCC's rules and regulations by the licensee; and
- . there have been no other serious violations that taken together constitute a pattern of abuse.

In making its determination, the FCC may consider petitions to deny but cannot consider whether the public interest would be better served by a person other than the renewal applicant and competing applications for the same frequency may be accepted only after the FCC has denied an incumbent's application for renewal of license.

Ownership Regulation. The Communications Act and FCC rules and regulations also regulate broadcast ownership. The FCC has promulgated rules that, among other matters, limit the ability of individuals and entities to own or have an official position or ownership interest, known as an attributable interest, above a specific level in broadcast stations as well as other specified mass media entities. As discussed below, in August 1999, the FCC substantially revised a number of its multiple ownership and attribution rules and clarified some of those rules in January 2001. The FCC's various broadcast ownership rules, inclusive of the recent revisions, are summarized below.

Local Radio Ownership. With respect to radio licenses, the maximum allowable number of stations that can be commonly owned in a market varies depending on the number of radio stations within that market, as determined using a method prescribed by the FCC. In markets with more than 45 stations, one company may own, operate or control up to eight radio stations, with no more than five in either AM or FM. The FCC initiated a rule making proceeding in December 2000, which proposes to modify the manner in which the number of stations in a radio market is counted. If adopted, such modification could impair on a going-forward basis the ability of large radio station groups such as Infinity to enjoy economies of scale permitted under the FCC's current radio market definition and could potentially restrict their ability to freely sell existing combinations. However the FCC's rule making proposes that existing radio ownership combinations, such as those held by Infinity, would be grandfathered.

Local Television Ownership. The FCC's television duopoly rule permits parties to own two television stations without regard to signal contour overlap provided they are located in separate markets referred to as designated market areas. In addition, the rules permit parties in larger designated market areas to own up to two television stations in the same designated market area so long as at least eight independently owned and operating full-power television stations remain in the market at the time of acquisition and at least one of the two stations is not among the top four-ranked stations in the market based on audience share. In calculating the number of independently owned stations in a market, the FCC clarified that it will count only those stations in a market whose signal contour overlaps with that of at least one of the stations in the proposed combination. Further, without regard to numbers of remaining or independently owned TV stations, the FCC will permit television duopolies within the same designated market area so long as certain signal contours of the stations involved do not overlap.

"Satellite" stations that simply rebroadcast the programming of a "parent" station will continue to be exempt from the duopoly rule if located in the same designated market area as the parent station. The duopoly rule also applies to same-market local marketing agreements involving more than 15% of the brokered station's program time, although current local marketing agreements will be exempt from the TV duopoly rule for a limited period of time of either two or five years, depending on the date of the adoption of the local marketing agreement. Further, the FCC may grant a waiver of the TV duopoly rule if one of the two television stations is a "failed" or "failing" station, or the proposed transaction would result in the construction of a new television station.

As a result of the merger with CBS, the Company has duopolies in the following six television markets: Philadelphia, Boston, Dallas, Miami, Detroit, and Pittsburgh. The Company has no in-market local marketing agreements.

National Television Ownership Cap. On the national level, the FCC imposes a 35 percent national audience reach cap for television ownership, under which one party may not have an attributable interest in television stations which reach more than 35 percent of all U.S. television households. The Commission discounts the audience reach of a UHF station for this purpose by 50 percent. Additionally, under FCC rules, for entities that have attributable interests in two stations in the same market, the FCC counts the audience reach of that market only once for national cap purposes. Last May, as part of the Congressionally mandated biennial review of broadcast ownership rules, the FCC determined to retain the 35% cap. At the same time, the FCC voted to maintain the UHF discount.

After the May 4, 2000 merger with CBS, the television stations currently held by the Company have an aggregate national audience reach for purposes of the national ownership cap of approximately 41%. As

a condition of its approval of the merger, the FCC ordered the Company to come into compliance with the national television ownership cap within 12 months of the merger closing date, which is May 4, 2001. The Company has challenged the rule in federal court and is seeking a stay of the requirement to come into compliance with the limit pending judicial review of the national ownership cap.

Dual Network Rule. In the Telecommunications Act, Congress directed the FCC to liberalize its rule, which then generally prohibited television stations from affiliating with an entity that maintained more than one national network. The FCC's implementing regulation states that a television broadcast station may not affiliate with an entity that maintains one of the existing four major networks (ABC, CBS, NBC, and Fox) and one of other specific qualifying networks in existence as of February 8, 1996. The legislative history of the dual network rule suggests that the rule was intended to prohibit one of the four major networks from acquiring either of The WB or UPN. After the merger with CBS, the Company owns both the CBS and UPN networks. As a condition of its approval of the merger, the FCC ordered the Company to come into compliance with the dual network rule within 12 months of the May 4, 2000 merger closing date, which is May 4, 2001. The FCC initiated a rule making in June 2000, in which it proposes to eliminate the dual network rule with respect to UPN and The WB. If the proposal is adopted, the Company would be free to maintain both CBS and UPN. The FCC is expected to issue the new rule within the next couple of months.

Radio-Television Cross-Ownership. The so-called "one-to-a-market" rule has until recently prohibited common ownership or control of a radio station, whether AM, FM or both, and a television station in the same market, subject to waivers in some circumstances. The FCC's new radio-television cross-ownership rule embodies a graduated test based on the number of independently owned media voices in the local market.

In large markets, i.e., markets with at least 20 independently owned media voices, a single entity can own up to one television station and seven radio stations or, if permissible under the new TV duopoly rule, two television stations and six radio stations.

Waivers of the new radio-television cross-ownership rule will be granted only under the failed station test. Unlike under the TV duopoly rule, the FCC will not waive the radio-television cross-ownership rules in situations of failing or unbuilt stations.

After the merger with CBS, the Company owned radio-television combinations that exceeded the FCC's cross-ownership rule in five markets: Los Angeles, Chicago, Dallas/Ft. Worth, Sacramento and Baltimore. As a result, in approving the merger, the FCC ordered the Company to come into compliance with the radio-television cross-ownership rule within six months of the May 4, 2000 merger closing, which was November 6, 2000. By that date, the Company had entered into contracts and filed applications in each of the five markets sufficient to comply with the conditions in the FCC merger approval order.

Attribution of Ownership. Under the FCC's recently clarified attribution rules, a direct or indirect purchaser of various types of securities of the Company could violate FCC regulations or policies if that purchaser owned or acquired an "attributable" interest in other media properties in the same area as stations owned by the Company in a manner prohibited by the FCC. Under the FCC's revised rules, an "attributable" interest for purposes of the Commission's broadcast ownership rules generally includes:

- . equity and debt interests, which combined exceed 33% of a licensee's total assets, if the interest holder supplies more than 15% of total weekly programming, or is a same-market media entity, whether TV, radio, cable or newspaper;
- . 5% or greater voting stock interest;
- . 20% or greater voting stock interest, if the holder is a qualified passive investor;
- . any equity interest in a limited liability company or limited partnership, unless properly "insulated" from management activities; and
- . all officers and directors of a licensee and its direct or indirect parent.

In a clarification of the attribution rules, which was issued in January 2001, the FCC eliminated the single majority shareholder exemption, which previously had rendered as non-attributable interests up to 49% if the licensee is controlled by a single majority shareholder. Minority interests acquired prior to December 14, 2000 are grandfathered.

Alien Ownership. The Communications Act limits the ability of foreign entities or individuals to own or hold interests in broadcast licenses. As applicable to the Company, non-U.S. citizens, collectively, may directly or indirectly own or vote up to twenty percent of the capital stock of a corporate licensee. In addition, a broadcast license may not be granted to or held by any corporation that is controlled, directly or indirectly, by any other corporation more than one-fourth of whose capital stock is owned or voted by non-U.S. citizens or their representatives, by foreign governments or their representatives, or by non-U.S. corporations, if the FCC finds that the public interest will be served by the refusal or revocation of such license. The FCC has interpreted this provision of the Communications Act to require an affirmative public interest finding before a broadcast license may be granted to or held by any such corporation, and the FCC has made such affirmative findings only in limited circumstances. The Company does periodic surveys of its public shareholders to ascertain compliance with this statute.

Digital Television Service. The FCC has taken a number of steps to implement digital television broadcasting service in the United States. The FCC has adopted a digital television table of allotments that provides all authorized television stations with a second channel on which to broadcast a digital television signal. The FCC has attempted to provide digital television coverage areas that are comparable to stations' existing service areas. The FCC has ruled that television broadcast licensees may use their digital channels for a wide variety of services such as high definition television, multiple channels of standard definition television programming, audio, data, and other types of communications, subject to the requirement that each broadcaster provide at least one free video channel equal in quality to the current technical standard.

Digital television channels will generally be located in the range of channels from channel 2 through channel 51. The FCC has required affiliates of ABC, CBS, Fox and NBC in the top 10 television markets to begin digital broadcasting by May 1, 1999. Affiliates of the four major networks in the top 30 markets were required to begin digital broadcasting by November 1, 1999, and all other commercial broadcasters must do so by May 1, 2002. Many stations, including several of the Company's stations, have already begun digital broadcasting. The FCC's plan calls for the digital television transition period to end in the year 2006, at which time the FCC expects that television broadcasters will cease non-digital broadcasting and return one of their two channels to the government, allowing that spectrum to be recovered for other uses.

Under the Balanced Budget Act, however, the FCC is authorized to extend the December 31, 2006 deadline for reclamation of a television station's non-digital channel if, in any given market one or more television stations affiliated with ABC, CBS, NBC or Fox is not broadcasting digitally, and the FCC determines that such stations have "exercised due diligence" in attempting to convert to digital broadcasting; or less than 85% of the television households in the station's market subscribe to a multichannel video service that carries at least one digital channel from each of the local stations in that market, and less than 85% of the television households in the market can receive digital signals off the air using either a set-top converter box for an analog television set or a new digital television set.

The implementation of digital television will also impose substantial additional costs on television stations because of the need to replace equipment and because some stations will need to operate at higher utility costs and there can be no assurance that our television stations will be able to increase revenue to offset such costs. In addition, the Communications Act allows the FCC to charge a spectrum fee to broadcasters who use the digital spectrum to offer subscription-based services. The FCC has adopted rules that require broadcasters to pay a fee of 5% of gross revenues received from ancillary or supplementary uses of the digital spectrum for which they charge subscription fees, excluding revenues from the sale of commercial time. The Company cannot predict what future actions the FCC might take with respect to digital television, nor can it predict the effect of the FCC's

present digital television implementation plan or such future actions on the Company's business. The Company will incur considerable expense in the conversion to digital television and is unable to predict the extent or timing of consumer demand for any such digital television services.

Pursuant to Congressional mandate, the FCC will be auctioning that part of the spectrum now used by broadcasters operating on channels 60-69. The auction, now set for September 12, 2001, will draw bidders who will provide "third generation" wireless service upon broadcasters' surrender of their analog licenses. The Company has two television stations that operate on the channel 60-69 spectrum. These stations will not be adversely affected unless they are required to move to other channels before the digital television transition date. At this time, the FCC has stated that any such move by broadcasters will be on a voluntary basis only.

In January 2001, the FCC issued rules relating to the cable carriage of digital broadcast television signals, in which it determined that a commercial station operating in both analog and digital during the transition period may elect must carry or retransmission consent for its analog signal and retransmission consent for its digital signal. The FCC also tentatively concluded that it would reject mandatory "dual carriage," which would permit a local TV station to assert a right to carriage for both its analog and digital signals. However, the Commission issued a rule making to evaluate, among other things, the state of the digital television marketplace in order to determine whether a dual carriage requirement would violate the cable operators' First Amendment rights. The Company has concluded or is negotiating agreements with cable operators for the carriage of its stations' digital signals.

Satellite Carriage of Broadcast Television Stations. In 1999, Congress enacted the Satellite Home Viewer Improvement Act (SHVIA), which permits satellite carriers to retransmit a local television station's signal into its local market, subject to the consent of the local broadcaster. In March 2000, as directed under SHVIA, the FCC adopted rules that govern "good faith" negotiations between broadcasters and satellite carriers for retransmission consent. Superstations, defined to include certain stations affiliated with the UPN and WB networks, including WSBK-TV, Boston, which is owned by the Company, may be carried by satellite carriers nationally without consent. However, satellite carriers must apply network nonduplication, syndicated exclusivity and sports blackout protections to the retransmission of superstation signals. Further, until the end of 2004, the satellite carrier may retransmit distant network signals to households unserved by local network affiliates. Finally, beginning on January 1, 2002, satellite carriers will be required to carry the signals of all local broadcast stations, if they so request, in local markets in which the satellite carrier carries at least one signal under a local-to-local license. Almost all of the Company's CBS-affiliated television station signals and one UPN television station signal, pursuant to retransmission consent agreements, are being retransmitted into their local markets by the two major satellite carriers.

Programming. Under FCC rules, television stations must eventually close caption most of their programming on a phased-in basis, which began in January 1998. FCC rules also directed that all television receiver models with screens 13 inches or larger be equipped with "V-chip" technology as of January 1, 2000. This technology, which works in tandem with television ratings (age and content markers), permits parents to block out certain programming from their children. Most broadcasters, including CBS and UPN, voluntarily encode their programming with television ratings. In addition, the FCC in August 2000 adopted rules that require affiliates of the four major broadcast networks (including CBS) in the top 25 markets to air 50 hours per quarter of programming containing audio descriptions of video for the visually impaired.

Digital Audio Radio Service and Low-Power FM. The FCC has authorized or is considering authorizing various digital audio radio services. In January 1995, the FCC adopted rules to allocate spectrum for satellite digital audio radio services. The FCC has issued two authorizations to launch and operate satellite digital audio radio services (DARS), and the two companies holding those authorizations are expected to begin offering DARS some time in 2001. The FCC also has undertaken an inquiry into terrestrial digital audio radio. On November 1, 1999, the FCC issued a Notice of Proposed Rulemaking on that subject which solicited comments and proposals to implement terrestrial digital audio radio, including conversion to in-band on-channel transmissions by existing

radio broadcasters. Comments and reply comments were subsequently filed in that proceeding. The Company cannot predict the impact of either DARS or terrestrial digital audio radio services on its business. The Company has an ownership interest in iBiquity Digital Corporation, an entity which was created by the merger of USA Digital Radio, Inc. and Lucent Digital Radio and which is developing digital broadcasting technology, including technology for in-band on-channel terrestrial transmissions.

The FCC established a new low power FM service (LPFM) on January 20, 2000. The new LPFM stations are intended to operate in the existing FM band to provide small area, localized service. On December 21, 2000, the FCC announced that 255 noncommercial educational applicants in twenty states are eligible for LPFM licenses. Pursuant to Congressional legislation passed in mid-December, 2000, these applicants, and all future LPFM applicants, are eligible for LPFM licenses only if their proposed stations fully protect full service FM stations (and FM translator stations). At this time, the Company cannot predict the impact, if any, that LPFM authorizations might have on the Company's broadcast operations.

Outdoor Advertising

The outdoor advertising industry is subject to extensive governmental regulation in the United States at the federal, state and local levels. These regulations include restrictions on the construction, repair, upgrading, height, size and location of and, in some instances, content of advertising copy being displayed on outdoor advertising structures.

Federal law, principally the Highway Beautification Act of 1965 (Highway Beautification Act), encourages states, by the threat of withholding 10% of the federal appropriations for the construction and improvement of highways within such states, to implement state legislation to prohibit billboards located within 660 feet of, or visible from, interstate and primary highways, except in commercial or industrial areas where off-site signage is permitted provided it meets spacing and size restrictions. All of the states have implemented regulations at least as restrictive as the Highway Beautification Act. The Highway Beautification Act, and the various state statutes implementing it, require payment of just compensation whenever governmental authorities require legally erected and maintained billboards to be removed from areas adjacent to federally-aided highways.

State and local jurisdictions have, in some cases, passed additional and more restrictive regulations applicable to the construction, repair, upgrading, height, size and location of outdoor advertising structures adjacent to federally-aided highways and other thoroughfares. In some cases, the construction of new billboards or the relocation or modification of existing billboards is prohibited. From time to time, governmental authorities order the removal of billboards by the exercise of eminent domain. Thus far, the Company believes it has been able to obtain satisfactory compensation for its structures removed at the direction of governmental authorities, although there is no assurance that it will be able to continue to do so in the future.

Outdoor advertising in Canada is subject to regulation at the federal, provincial and municipal levels. These regulations may prohibit advertising of certain products on outdoor signs in certain locations. In Mexico, the placement of outdoor billboards is primarily regulated at the local level. For example, Mexico City regulates the placement of billboards near historical monuments. In France, outdoor advertising is regulated at the national, regional and local levels, including the regulation of content and the duration of certain contracts.

To date, regulations in the Company's outdoor advertising markets have not materially adversely affected its operations. However, the outdoor advertising industry is heavily regulated and at various times and in various markets can be expected to be subject to varying degrees of regulation affecting the operation of advertising displays. Accordingly, although the Company's experience to date is that the regulatory environment is not unduly restrictive, no assurance can be given that existing or future laws or regulations will not adversely affect the Company.

Video

BLOCKBUSTER is subject to various federal, state and local laws that govern the access and use of its video stores by disabled people and the disclosure and retention of video rental records. BLOCKBUSTER also must comply with various regulations affecting its business, including state and local advertising, consumer protection, credit protection, licensing, zoning, land use, construction, environmental, and minimum wage and other labor and employment regulations.

BLOCKBUSTER is also subject to the Trade Regulation Rule of the Federal Trade Commission ("FTC") entitled "Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures" and state laws and regulations that govern (i) the offer and sale of franchises and (ii) franchise relationships. These regulations require BLOCKBUSTER to furnish each prospective franchisee with a current franchise offering circular prior to the offer or sale of a franchise. In addition, a number of states require that BLOCKBUSTER, as franchisor, comply with that state's registration or filing requirements prior to offering or selling a franchise in the state and provide a prospective franchisee with a current franchise offering circular complying with the state's laws, prior to the offer or sale of the franchise. BLOCKBUSTER intends to maintain a franchise offering circular that complies with all applicable federal and state franchise sales and other applicable laws.

BLOCKBUSTER is also subject to a number of state laws and regulations that regulate some substantive aspects of the franchisor-franchisee relationship, including (i) those governing the termination or non-renewal of a franchise agreement; (ii) requirements that the franchisor deal with its franchisees in good faith; (iii) prohibitions against interference with the right of free association among franchisees; and (iv) those regulating discrimination among franchisees in charges, royalties or fees.

Compliance with federal and state franchise laws is costly and time-consuming, and no assurance can be given that BLOCKBUSTER will not encounter difficulties or delays in this area or that it will not require significant capital for franchising activities.

Online

Web Sites Directed to Children. The Children's Online Privacy Protection Act of 1998 ("COPPA"), which was implemented by the FTC in October 1999, applies to Web sites, or those portions of Web sites, directed to children under age 13. Under COPPA, Web site operators generally cannot collect online from a child under age 13 information that is individually identifiable such as a first and last name, an e-mail address or telephone number without the prior consent of that child's parent. The FTC rules became effective on April 21, 2000. Congress may also consider legislation this year or next regarding online privacy for adults.

Anti-Cybersquatting Legislation. In 1999, Congress enacted legislation to address the practice of domain name piracy. The legislation is designed to limit the practice of registering an Internet address of an established trademark with the hopes of selling the Internet address to the affected company. The legislation also includes a prohibition on the registration of a domain name that is the name of another living person, or a name that is confusingly similar to that name. There is a broad exemption for personal names linked to copyrighted works.

Intellectual Property

It is the Company's practice to protect its theatrical and television product, software, publications and its other original and acquired works. The following logos and trademarks and related trademark families are among those strongly identified with the product lines they represent and are significant assets of the Company: VIACOM(R), BLOCKBUSTER(R), CBS(R), CBS ENTERTAINMENT(TM), CBS NEWS(TM), CBS SPORTS(TM), INFINITY BROADCASTING(R), INFINITY OUTDOOR(TM), TDI(R), MTV: MUSIC TELEVISION(R), NICK AT NITE(R), NICKELODEON(R), TV LAND(R), VH1 MUSIC FIRST(TM), PARAMOUNT(R), FAMOUS MUSIC(R), BIG TICKET TELEVISION(R), PARAMOUNT PARKS(R), ENTERTAINMENT TONIGHT(R), STAR TREK(R), SHOWTIME(R), THE MOVIE CHANNEL(R), FLIX(R), SIMON & SCHUSTER(R) and POCKET BOOKS(TM).

Employees and Labor Matters

At December 31, 2000, the Company employed approximately 133,830 people, of which approximately 57,840 were full-time salaried employees. Labor agreements covering the services of writers and actors which the Company utilizes in its motion picture and television businesses are currently scheduled to expire during 2001. Work stoppages and/or higher costs in connection with these agreements could adversely impact the ability of the Company to produce or acquire new programming.

Financial Information About Segments and Foreign and Domestic Operations

Financial and other information by segment and relating to foreign and domestic operations for each of the last three years ending December 31, is set forth in Note 16 to the Consolidated Financial Statements.

Cautionary Statement Concerning Forward-Looking Statements

This document and the documents incorporated by reference into this Form 10-K, 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 and section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are not based on historical facts, but rather reflect the Company's current expectations concerning future results and events. These forward-looking statements generally can be identified by the use of statements that include phrases such as "believe," "expect," "anticipate," "intend," "plan," "foresee," "likely," "will" or other similar words or phrases. Similarly, statements that describe the Company's objectives, plans or goals are or may be forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be different from any future results, performance and achievements expressed or implied by these statements. More information about these risks, uncertainties and other factors is set forth on pages II-26 and II-27 of "Management's Discussion and Analysis of Results of Operations and Financial Condition." The Company does not have any obligation to publicly update any forward-looking statements to reflect subsequent events or circumstances.

Item 2. Properties.

The Company maintains its world headquarters at 1515 Broadway, New York, New York, where it rents approximately 1.2 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. The Company also leases the following major facilities in New York City for certain of its operating divisions: (a) approximately 548,000 square feet of office space at 1633 Broadway, New York, New York, which lease runs to 2010, and (b) approximately 237,000 square feet of office space at 1230 Avenue of the Americas, New York, New York, which lease runs to 2009. The Company owns the building located at 51 West 52nd Street New York, New York containing approximately 900,000 square feet which is utilized for executive and certain operating division offices or is leased to third parties, and the CBS Broadcast Center complex located on approximately 3.7 acres at 524 West 57th Street and consists of approximately 860,000 square feet. The Company also owns 3 studio facilities in California: (a) the Paramount Pictures studio at 5555 Melrose Avenue, Los Angeles, California, located on approximately 65 acres, (b) the CBS Studio Center at 4204 Radford Avenue, Studio City, California, located on approximately 40 acres, and (c) CBS Television City at 7800 Beverly Boulevard, Los Angeles, California, located on approximately 11 acres. PARAMOUNT PARKS' operations in the U.S. include approximately 1,950 acres owned and 108 acres leased and in Canada include approximately 380 acres owned. BLOCKBUSTER's headquarters at 1201 Elm Street, Dallas, Texas consists of approximately 240,000 square feet of leased space and its distribution center in McKinney, Texas consists of approximately 850,000 square feet of leased space.

The Company also owns and leases office, studio, retail and warehouse space, broadcast, antenna and satellite transmission facilities and outdoor advertising throughout the U.S., Canada and several countries around the world for its businesses. The Company considers its properties adequate for its present needs.

Item 3. Legal Proceedings.

Antitrust. The Company, Blockbuster and Paramount Home Entertainment are among the defendants in a lawsuit filed on July 21, 1999 in the United States District Court for the Western District of Texas by one former and three present independent video retailers against the major motion picture studios and the Company. The plaintiffs, purporting to act as class representatives on behalf of themselves and all others similarly situated, allege that the Company and the studios conspired among themselves and with Blockbuster to restrain competition in the nationwide market for distribution of videocassettes for rental to the public in violation of federal and California law. Plaintiffs seek injunctive relief under federal law as well as triple the amount of the alleged actual damages to themselves and those similarly situated under California statutes. In January 2001, plaintiffs moved to withdraw their California state law claims from the federal lawsuit in Texas and filed a substantially similar complaint with approximately 200 additional named plaintiffs in Superior Court for the County of Los Angeles. This complaint also sought certification of a nationwide class of similarly situated plaintiffs. In March 2001, the Texas court denied the plaintiffs' motion for class certification of both the federal and the California state law claims in the federal action and denied the plaintiffs' motion to withdraw their California state law claims from that action. The Company believes that the plaintiffs' position in these litigations is without merit and intends to defend itself vigorously in the litigations.

The Company, through Paramount Pictures, is subject to a consent decree, entered in 1948, which contains restrictions on certain motion picture trade practices in the U.S. The Company, through Paramount Pictures, along with other major distributors, has received a Civil Investigative Demand from the Justice Department which is investigating possible violations of the industry-wide decrees. The Company believes that it has not committed any violation of the consent decree and has not been advised that the Department of Justice believes otherwise.

Other Matters. The Company is a defendant in numerous lawsuits claiming various asbestos-related personal injuries, which allegedly occurred from use or inclusion of asbestos in certain products supplied by previously divested industrial business, generally in the pre-1970 time period. Typically, these lawsuits are brought against multiple defendants in state and federal courts. The Company was neither a manufacturer nor a producer of asbestos. As of December 31, 2000, the Company had pending approximately 99,590 asbestos cases, excluding cases in various stages of settlement. The Company has brought suit against certain of its insurance carriers with respect to asbestos claims. Under the terms of a settlement agreement resulting from this suit, carriers that have agreed to the settlement are now reimbursing the Company for a substantial portion of its current costs and settlement associated with asbestos claims. The Company believes that it has meritorious defenses to asbestos matters, that where appropriate it has adequately provided for resolution of matters and that any ultimate liability resulting from asbestos matters is not likely to have a material adverse effect on its results of operations, financial position or cash flows.

The Company from time to time receives claims from federal and state environmental regulatory agencies and other entities asserting that it is or may be liable for environmental cleanup costs and related damages principally relating to discontinued operations conducted by companies acquired by the Company. While the outcome of these claims cannot be predicted with certainty, on the basis of its experience and the information currently available to it, the Company does not believe that the claims it has received will have a material adverse effect on its results of operations, financial position or cash flows.

In addition to the above matters, the Company and various of its subsidiaries are parties to certain other legal proceedings. Litigation is inherently uncertain and always difficult to predict. However, based on its understanding and evaluation of the relevant facts and circumstances, the Company believes that these matters are not likely to have a material adverse effect on its results of operations, financial position or cash flows. (See Item 7. "Management's Discussion and Analysis of Results of Operations and Financial Condition.")

Item 4. Submission of Matters to a Vote of Security Holders.

Not Applicable

Executive Officers of the Company

Set forth below is certain information concerning the executive officers of the Company.

Name	Age	Title
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Sumner M. Redstone....	77	Chairman of the Board of Directors and Chief Executive Officer
Mel Karmazin.....	57	President and Chief Operating Officer and Director
Carl D. Folta.....	43	Senior Vice President, Corporate Relations
Martin D. Franks.....	50	Senior Vice President
Robert G. Freedline...	43	Vice President and Treasurer
Michael D. Fricklas...	41	Executive Vice President, General Counsel and Secretary
Susan C. Gordon.....	47	Vice President, Controller and Chief Accounting Officer
Carol A. Melton.....	46	Senior Vice President, Government Affairs
Fredric G. Reynolds...	50	Executive Vice President and Chief Financial Officer
William A. Roskin.....	58	Senior Vice President, Human Resources and Administration
Martin M. Shea.....	57	Senior Vice President, Investor Relations

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None of the executive officers of the Company is related to any other executive officer or director by blood, marriage or adoption except that Brent D. Redstone and Shari Redstone, Directors of the Company, are the son and daughter, respectively, of Sumner M. Redstone.

Mr. Redstone has been a Director of the Company since 1986 and Chairman of the Board since 1987, acquiring the additional title of Chief Executive Officer in January 1996. Mr. Redstone has served as Chief Executive Officer of NAI since 1967, and continues to serve in such capacity; he has also served as Chairman of the Board of NAI since 1986. Mr. Redstone was President of NAI from 1967 through 1999. Mr. Redstone became a Director of Blockbuster in 1999. He is a member of the Advisory Council for the Academy of Television Arts and Sciences Foundation and on the Board of Trustees for The Museum of Television and Radio. Mr. Redstone served as the first Chairman of the Board of the National Association of Theatre Owners, and is currently a member of the Executive Committee of that organization. Since 1982, Mr. Redstone has been a member of the faculty of Boston University Law School, where he has lectured on entertainment law, and since 1994, he has been a Visiting Professor at Brandeis University. In 1944, Mr. Redstone graduated from Harvard University and, in 1947, received an LL.B. from Harvard University School of Law. Upon graduation, he served as Law Secretary with the U.S. Court of Appeals, and then as a Special Assistant to the U.S. Attorney General.

Mr. Karmazin has been President and Chief Operating Officer of the Company and a member of the Board of Directors since May 2000. He became a Director of Blockbuster in May 2000. Mr. Karmazin served as President and Chief Executive Officer of CBS Corporation from January 1999 until May 2000, and President and Chief Operating Officer from April 1998 to January 1999. Mr. Karmazin also served as Chairman, President and Chief Executive Officer of Infinity Broadcasting Corporation from December 1998, the time of Infinity's most recent initial public offering, until February 2001, when its public shares were acquired by the Company. He continues to serve as Chairman of Infinity. Mr. Karmazin joined CBS in December 1996 as Chairman and Chief Executive Officer of CBS Radio and served as Chairman and Chief Executive Officer of the CBS Station Group (Radio and Television) from May 1997 to April 1998. Prior to joining CBS, Mr. Karmazin served as President and Chief Executive Officer of Infinity Broadcasting Corporation from 1981 to December 1996. Mr. Karmazin is on the Board of Trustees for The Museum of Television and Radio and serves on the Board of Directors of the New York Stock Exchange, Inc. and Westwood One, Inc.

Mr. Folta was elected Senior Vice President, Corporate Relations of the Company in November 1994. Prior to that, he served as Vice President, Corporate Relations of the Company from April 1994 to November 1994. From 1984 until joining the Company in April 1994, Mr. Folta held various Corporate Communications positions at Paramount Communications Inc., serving most recently as Senior Director, Corporate Communications.

Mr. Franks has been Senior Vice President of the Company and Executive Vice President, CBS Television since May 2000. From June 1997 to May 2000, he served as Senior Vice President, CBS Corporation and President, CBS Foundation. Mr. Franks joined CBS in July 1988 as Vice President, Washington, CBS Inc. and in January 1994 was named Senior Vice President, Washington, CBS Inc.

Mr. Freedline has been Vice President and Treasurer of the Company since May 2000. From May 1998 to May 2000, he served as Vice President and Controller of CBS Corporation. Mr. Freedline also served as Director of Business Planning and Development of CBS from June 1996 to May 1998, and as director of Corporate Audit from March 1995 to June 1996.

Mr. Fricklas was elected Executive Vice President, General Counsel and Secretary in May 2000. From October 1998 to May 2000, he served as Senior Vice President, General Counsel and Secretary of the Company and from July 1993 to October 1998, he served as Deputy General Counsel of the Company. He served as Vice President, General Counsel and Secretary of Minorco (U.S.A.) Inc. from 1990 to 1993. Prior to that, Mr. Fricklas was an attorney in private practice at the law firm of Shearman & Sterling.

Ms. Gordon was elected Vice President, Controller and Chief Accounting Officer in April 1995. Prior to that, she served as Vice President, Internal Audit of the Company since October 1986. From June 1985 to October 1986, Ms. Gordon served as Controller of Viacom Broadcasting. She joined the Company in 1981 and held various positions in the corporate finance area.

Ms. Melton was elected Senior Vice President, Government Affairs of the Company in May 1997. Before joining the Company, Ms. Melton served most recently as Vice President, Law and Public Policy at Time Warner Inc., having joined Warner Communications Inc. in 1987. Prior to that, Ms. Melton served as Legal Advisor to the Chairman of the Federal Communications Commission and as Assistant General Counsel for the National Cable Television Association.

Mr. Reynolds has been Executive Vice President and Chief Financial Officer of the Company since May 2000. He became a Director of Blockbuster in December 2000. Mr. Reynolds served as Executive Vice President and Chief Financial Officer of CBS Corporation from March 1994 to May 2000, and assumed the additional post of Chief Financial Officer of CBS Inc. in April 1996. From 1982 to 1994, Mr. Reynolds held various executive financial positions at PepsiCo Inc., including Senior Vice President and Chief Financial Officer for PepsiCo Foods International. In March 2001, the Company announced that Mr. Reynolds would become President of the CBS Television Stations Division.

On March 26, 2001, the Company announced that Richard J. Bressler will join the Company as Senior Executive Vice President and Chief Financial Officer, assuming the duties of Chief Financial Officer effective May 1, 2001. Prior to the announcement, Mr. Bressler was Executive Vice President of AOL Time Warner Inc. and Chief Executive Officer of AOL Time Warner Investments. Mr. Bressler was Executive Vice President and Chief Financial Officer of Time Warner Inc. from March 1995 to June 1999 and served in various financial capacities with Time Warner prior to that time.

Mr. Roskin has been an executive officer of the Company since April 1988 when he became Vice President, Human Resources and Administration. In July 1992, Mr. Roskin was elected Senior Vice President, Human Resources and Administration of the Company. From May 1986 to April 1988, he was Senior Vice President, Human Resources at Coleco Industries, Inc. From 1976 to 1986, he held various executive positions at Warner Communications Inc., serving most recently as Vice President, Industrial and Labor Relations.

Mr. Shea was elected Senior Vice President, Investor Relations of the Company in January 1998. From July 1994 to May 1995 and from November 1995 to December 1997, he was Senior Vice President, Corporate Communications for Triarc Companies, Inc. From June 1995 through October 1995, he served as Managing Director of Edelman Worldwide. From 1977 until July 1994, Mr. Shea held various Investor Relations positions at Paramount Communications Inc., serving most recently as Vice President, Investor Relations.

PART II

Item 5. Market for Viacom Inc.'s Common Equity and Related Security Holder Matters.

Viacom Inc. voting Class A Common Stock and Viacom Inc. non-voting Class B Common Stock are listed and traded on the New York Stock Exchange ("NYSE") 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 Inc.'s Class A Common Stock and Class B Common Stock, as reported on the NYSE.

	Viacom Inc. Class A Common Stock		Viacom Inc. Class B Common Stock	
	High	Low	High	Low
1999				
1st quarter	\$45.50	\$35.31	\$45.94	\$35.38
2nd quarter	48.75	36.69	49.19	36.63
3rd quarter	49.63	38.44	48.75	38.56
4th quarter	60.44	40.31	60.44	39.81
2000				
1st quarter	\$63.31	\$49.56	\$63.25	\$49.56
2nd quarter	71.25	46.06	70.88	45.69
3rd quarter	76.06	55.00	75.88	54.13
4th quarter	59.81	44.56	59.88	44.31

Viacom Inc. has not declared cash dividends on its common stock for the periods presented above and has no present intention of so doing.

As of March 19, 2001, there were approximately 7,721 record holders of Viacom Inc. Class A Common Stock and 82,067 record holders of Viacom Inc. Class B Common Stock.

Item 6. Selected Financial Data.

VIACOM INC. AND SUBSIDIARIES
(Millions of dollars, except per share amounts)

	Year Ended December 31,				
	2000(a)(b)	1999	1998	1997	1996
Revenues	\$20,043.7	\$12,858.8	\$12,096.1	\$10,684.9	\$ 9,683.9
Operating income	\$ 1,320.9	\$ 1,247.3	\$ 751.6	\$ 685.4	\$ 1,197.2
Earnings (loss) from continuing operations	\$ (363.8)	\$ 371.7	\$ (43.5)	\$ 373.5	\$ 152.2
Net earnings (loss)	\$ (816.1)	\$ 334.0	\$ (122.4)	\$ 793.6	\$ 1,247.9
Net earnings (loss) attributable to common stock	\$ (816.1)	\$ 321.6	\$ (149.6)	\$ 733.6	\$ 1,187.9
Basic earnings per common share:					
Earnings (loss) from continuing operations	\$ (.30)	\$.52	\$ (.10)	\$.44	\$.13
Net earnings (loss)	\$ (.67)	\$.46	\$ (.21)	\$ 1.04	\$ 1.63
Diluted earnings per common share:					
Earnings (loss) from continuing operations	\$ (.30)	\$.51	\$ (.10)	\$.44	\$.13
Net earnings (loss)	\$ (.67)	\$.45	\$ (.21)	\$ 1.04	\$ 1.62
At Year End:					
Total assets	\$82,646.1	\$24,486.4	\$23,613.1	\$28,288.7	\$28,834.0
Long-term debt, net of current portion	\$12,473.8	\$ 5,697.7	\$ 3,813.4	\$ 7,423.0	\$ 9,855.7
Stockholders' equity	\$47,966.9	\$11,132.0	\$12,049.6	\$13,383.6	\$12,586.5

Viacom Inc. has not declared cash dividends on its common stock for any of the periods presented above.

(a) On May 4, 2000, CBS Corporation merged with Viacom Inc. and effective from this date, its results of operations are included in the consolidated financial results of the Company.

(b) As a result of the adoption of Statement of Position 00-2, "Accounting by Producers or Distributors of Films," the Company recorded a non-cash after-tax charge of \$452.3 million as a cumulative effect of a change in accounting.

See Notes to Consolidated Financial Statements for additional information on transactions and accounting classifications which have affected the comparability of the periods presented above.

Item 7. Management's Discussion and Analysis of Results of Operations and Financial Condition.

(Tabular dollars in millions)

General

Management's discussion and analysis of the results of operations and financial condition of Viacom Inc. and its subsidiaries ("Viacom" or the "Company") should be read in conjunction with the Consolidated 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.

Several significant transactions occurred during 2000 and in the first quarter of 2001 that demonstrated the Company's strength in the media business. These investments are expected to generate significant levels of cash flow. The Company's significant transactions were as follows:

- . The Company completed its merger with CBS Corporation ("CBS") in May of 2000.
- . In November 2000, the Company announced an agreement to acquire BET Holdings II, Inc. ("BET") for approximately \$3 billion, consisting principally of Viacom Class B Common Stock and the assumption of debt. The transaction closed in January 2001 and was accounted for as a purchase. Beginning in the first quarter of 2001, BET will be consolidated with the Company's results of operations.
- . In October 2000, the Company and Infinity Broadcasting Corporation ("Infinity Broadcasting") entered into a merger agreement under which the Company would acquire all of the issued and outstanding shares of Infinity common stock that it did not already own, approximately 36%. The merger was completed in February 2001.
- . In the third quarter of 2000, the Company issued \$1.65 billion of debt securities to repay existing short-term debt and to take advantage of attractive rates in the fixed rate market.
- . In the third quarter of 2000, Infinity Broadcasting completed the acquisition of 18 radio stations from Clear Channel Communications, Inc. ("Clear Channel") for \$1.4 billion in an asset transaction.
- . In the second quarter of 2000, Infinity Broadcasting completed the acquisition of Giraudy, one of France's largest outdoor advertising companies, for approximately \$400 million.

Business Segment Information

The Company had the following seven reportable segments during 2000:

Cable Networks--Basic Cable and Premium Subscription Television Program Services.

Television--Television Networks and Stations; and production and distribution of television programming.

Infinity--Radio stations and outdoor advertising properties.

Entertainment--Production and distribution of Motion Pictures; as well as the operation of Movie Theaters, Theme Parks and Music Publishing.

Video--Home Video and Game Rental and Retail through traditional stores and the Internet.

Publishing--Consumer Publishing.

Online--Interactive Online Services.

Effective January 1, 2001, the Company operates its online business under the Cable Networks and Television segments and accordingly, the Company will present its online business as part of these respective segments.

The following tables set forth revenues and operating income (loss) by business segment, as reported for the years ended December 31, 2000, 1999 and 1998.

	Year ended December 31,			Percent Better/(Worse)	
	2000	1999	1998	2000 vs. 1999	1999 vs. 1998
Revenues:					
Cable Networks	\$ 3,895.0	\$ 3,045.5	\$ 2,607.9	28%	17%
Television	5,381.7	2,352.0	2,271.4	129	4
Infinity	2,764.7	--	--	NM	--
Entertainment	2,758.3	2,665.9	2,914.3	3	(9)
Video	4,960.1	4,463.5	3,893.4	11	15
Publishing	596.0	610.7	564.6	(2)	8
Online	100.7	29.8	13.7	238	118
Intercompany eliminations	(412.8)	(308.6)	(169.2)	(34)	(82)
Total Revenues	\$20,043.7	\$12,858.8	\$12,096.1	56%	6%
Operating Income (Loss):					
Cable Networks	\$ 1,250.0	\$ 932.4	\$ 744.3	34%	25%
Television	431.2	143.4	262.4	201	(45)
Infinity	589.4	--	--	NM	--
Entertainment	209.7	231.1	235.5	(9)	(2)
Video	75.7	127.9	(342.2)	(41)	NM
Publishing	49.6	54.3	53.2	(9)	2
Online	(256.7)	(64.5)	(7.5)	(298)	NM
Segment Total	2,348.9	1,424.6	945.7	65	51
Corporate expenses/eliminations	(950.5)	(177.3)	(194.1)	NM	9
Residual costs of discontinued operations	(77.5)	--	--	NM	--
Total Operating Income	\$ 1,320.9	\$ 1,247.3	\$ 751.6	6%	66%

NM--Not meaningful

Pro Forma Results

In order to enhance comparability, the following discussion of the Company's results of operations is supplemented by pro forma financial information that gives effect to the CBS merger and other acquisitions (including significant acquisitions made by CBS prior to the completion of the merger), excludes non-recurring items and reflects the adoption of Statement of Position 00-2, "Accounting by Producers or Distributors of Films" as if they had occurred at the beginning of each period presented. The pro forma results are presented for informational purposes only and are not indicative of the operating results that would have occurred had the transactions actually occurred at the beginning of 1999, nor are they necessarily indicative of future operating results.

	Year Ended December 31,		Percent Better/(Worse)
	2000	1999	2000 vs. 1999
Pro Forma Revenues:			
Cable Networks	\$ 4,082.3	\$ 3,610.0	13%
Television	7,255.4	7,073.7	3
Infinity	4,037.2	3,562.4	13
Entertainment	2,758.3	2,665.9	3
Video	4,960.1	4,463.5	11
Publishing	596.0	610.7	(2)
Online	113.2	43.2	162
Intercompany eliminations	(443.4)	(334.2)	(33)
Total Pro Forma Revenues	\$23,359.1	\$21,695.2	8%

	Year Ended December 31,		Percent Better/(Worse)
	2000	1999	2000 vs. 1999
Pro Forma Operating Income (Loss):			
Cable Networks	\$1,268.6	\$1,006.0	26%
Television	582.9	189.9	207
Infinity	727.8	479.8	52
Entertainment	209.7	170.7	23
Video	107.3	127.9	(16)
Publishing	49.6	54.3	(9)
Online	(309.7)	(100.0)	(210)
Segment Total	2,636.2	1,928.6	37
Corporate expenses/eliminations	(321.0)	(266.1)	(21)
Residual costs of discontinued operations	(120.8)	(84.5)	(43)
Total Pro Forma Operating Income	\$2,194.4	\$1,578.0	39%

EBITDA

The following tables set forth EBITDA (defined as operating income (loss) before depreciation and amortization principally of goodwill related to business combinations) for the years ended December 31, 2000, 1999 and 1998. The Company believes that EBITDA is an appropriate measure of evaluating the operating performance of its segments. However, EBITDA should be considered in addition to, not as a substitute for or superior to, operating income, net earnings, cash flows, and other measures of financial performance prepared in accordance with generally accepted accounting principles ("GAAP"). As EBITDA is not a measure of performance calculated in accordance with GAAP, this measure may not be comparable to similarly titled measures employed by other companies.

	Year ended December 31,			Percent Better/(Worse)	
	2000	1999	1998	2000 vs. 1999	1999 vs. 1998
EBITDA:					
Cable Networks	\$1,495.0	\$1,053.1	\$ 851.3	42%	24%
Television	979.5	271.5	372.9	261	(27)
Infinity	1,282.6	--	--	NM	--
Entertainment	368.8	378.3	368.7	(3)	3
Video	534.8	520.3	39.9	3	NM
Publishing	71.3	74.0	71.2	(4)	4
Online	(182.1)	(48.4)	(3.5)	(276)	NM
Segment Total	4,549.9	2,248.8	1,700.5	102	32
Corporate expenses/eliminations	(928.0)	(156.8)	(171.6)	NM	9
Residual costs of discontinued operations	(77.5)	--	--	NM	--
Total EBITDA	\$3,544.4	\$2,092.0	\$1,528.9	69%	37%

NM--Not meaningful

	Year ended December 31,		Percent Better/(Worse)
	2000	1999	2000 vs. 1999
<hr/>			
Pro Forma EBITDA:			
Cable Networks	\$1,566.3	\$1,296.3	21%
Television	1,335.6	954.3	40
Infinity	1,794.1	1,505.5	19
Entertainment	368.8	317.9	16
Video	534.8	520.3	3
Publishing	71.3	74.0	(4)
Online	(231.4)	(82.1)	(182)
<hr/>			
Segment Total	5,439.5	4,586.2	19
Corporate expenses/eliminations	(296.9)	(240.7)	(23)
Residual costs of discontinued operations	(120.8)	(84.5)	(43)
<hr/>			
Total Pro Forma EBITDA	\$5,021.8	\$4,261.0	18%
<hr/>			

RESULTS OF OPERATIONS 2000 VERSUS 1999

On a reported basis, revenues increased 56% to \$20.0 billion for the year ended December 31, 2000 from \$12.9 billion for 1999. Reported operating results for the year ended December 31, 2000 are not comparable with the prior year due to the CBS merger, merger-related charges and other non-recurring items.

On a pro forma basis, revenues increased 8% to \$23.4 billion for 2000 from \$21.7 billion for 1999 with double digit increases at the Cable Networks, Infinity and Video segments. Increased advertising revenues drove Cable Networks and Infinity revenue growth. Increased same store revenues and the increase in the number of Company-operated stores drove Video segment revenue growth.

On a reported basis, total expenses increased 61% to \$18.7 billion for 2000 from \$11.6 billion for 1999 principally reflecting expenses of CBS following the merger, an increase of \$1.1 billion in amortization expense, merger related charges of \$698 million and increases associated with revenue growth. On a pro forma basis, total expenses increased 5% to \$21.2 billion for 2000 from \$20.1 billion for 1999 principally reflecting increases associated with revenue growth.

On a reported basis, EBITDA and operating income increased 69% to \$3.5 billion and 6% to \$1.3 billion, respectively, for 2000 from \$2.1 billion and \$1.2 billion, respectively for 1999.

Segment Results of Operations 2000 versus 1999

Cable Networks (Basic Cable and Premium Subscription Television Program Services)

	Year Ended December 31,		Percent Better/(Worse)
	2000	1999	

As Reported:			
Revenues	\$3,895.0	\$3,045.5	28%
Operating income	\$1,250.0	\$ 932.4	34
EBITDA	\$1,495.0	\$1,053.1	42

Pro Forma:			
Revenues	\$4,082.3	\$3,610.0	13%
Operating income	\$1,268.6	\$1,006.0	26
EBITDA	\$1,566.3	\$1,296.3	21

The Cable Networks segment is comprised of MTV Networks ("MTVN"), including, MTV, VH1, Nickelodeon, Nick at Nite, TV Land, TNN: The National Network and CMT, basic cable television program services; and Showtime Networks Inc. ("SNI"), owner of several premium subscription television program services.

For the year, MTVN revenues of \$2.9 billion, EBITDA of \$1.3 billion and operating income of \$1.1 billion increased 29%, 42% and 33%, respectively. The increase in MTVN's revenues reflect 28% higher worldwide advertising revenues principally driven by rate increases at MTV, VH1 and TV Land and higher affiliate fees. MTVN's EBITDA and operating income gains were driven by the increased revenues partially offset by increased programming and production expenses, principally at MTV and VH1. On a pro forma basis, MTVN revenues of \$3.0 billion and EBITDA of \$1.4 billion increased 14% and 21%, respectively, over the prior year's pro forma revenues of \$2.7 billion and EBITDA of \$1.1 billion. Pro forma results are presented as if the acquisition of the CBS Cable Networks, TNN and CMT, had occurred on January 1, 1999.

For the year, SNI's revenues, EBITDA and operating income increased 10%, 21% and 24%, respectively, as compared with the prior year. The revenue increases were principally due to an increase of approximately 5.2 million subscriptions, up 22% over the prior year to 28.4 million subscriptions at December 31, 2000. Operating results reflect revenue increases attributable to the continued growth of direct broadcast satellite subscriptions partially offset by higher programming expenses and increased marketing for the promotion of original series.

On January 23, 2001, the Company completed its acquisition of BET for approximately \$3 billion, which principally represents the issuance of approximately 43.4 million shares of Viacom Class B Common Stock and the assumption by the Company of approximately \$590 million in debt. Beginning first quarter of 2001, BET results will be reported as part of the Cable Networks segment.

Television (CBS and UPN Television Networks and Stations; Television Production and Syndication)

	Year Ended December 31,		Percent
	2000	1999	Better/(Worse)

As Reported:			
Revenues	\$5,381.7	\$2,352.0	129%
Operating income	\$ 431.2	\$ 143.4	201
EBITDA	\$ 979.5	\$ 271.5	261

Pro Forma:			
Revenues	\$7,255.4	\$7,073.7	3%
Operating income	\$ 582.9	\$ 189.9	207
EBITDA	\$1,335.6	\$ 954.3	40

The Television segment is comprised of the CBS and UPN Television Networks and stations, television production and syndication.

For the year, Television segment pro forma revenues, EBITDA and operating income growth was principally driven by the strong performance at the CBS Network, television stations and at the United Paramount Network ("UPN"). CBS Network's pro forma revenues and EBITDA growth for 2000 were primarily due to increases in both upfront and scatter advertising pricing. Television stations pro forma results benefited from strong advertising pricing in local owned and operated TV markets. Approximately 80% of CBS Network's inventory for the 2000-2001 television season was sold in the upfront market and all day-parts achieved double digit price increases. The success of the CBS Network was led by its new reality-based television shows, including Survivor, the finale of which was second only to the Super Bowl as the most watched television event in 2000. Survivor also favorably impacted the ratings and revenue generated by other day parts, including News and Late Night. CBS Network's Monday night comedies, led by Everybody Loves Raymond, also posted significant year-to-year growth. CBS Network's strong revenue growth was partially offset by higher

programming costs and election year expenses. CBS Network had the top two new dramas in the fall season with CSI: Crime Scene Investigation and The District. CBS Enterprises, which includes King World productions, reported higher pro forma revenues and EBITDA primarily due to increased domestic license fees from The Oprah Winfrey Show and Hollywood Squares, partially offset by lower revenues from The Roseanne Show.

Paramount Television revenues for the full year 2000 were higher for continuing network and first run syndication shows including Entertainment Tonight, Judge Judy, Charmed, 7th Heaven and Judge Joe Brown. Syndication revenues included the first time syndication availability of Sabrina, The Teenage Witch and Moesha, and distribution fees from the initial syndication of Spin City; however, these contributions did not compare favorably with the prior year which included the last seasons of Beverly Hills 90210, Melrose Place, Sunset Beach, Star Trek: Deep Space Nine, and Sister, Sister and the first time syndication availability of JAG, Star Trek: Voyager, Viper and The Sentinel and higher library syndication revenues. Paramount Television's EBITDA also improved led by Frasier and Judge Judy combined with significant overhead savings resulting from the integration of Spelling Entertainment into Paramount Television. Revenues for the year ended December 31, 1999 also benefited from the recognition of a cable retransmission royalty settlement.

Pro forma results assume that the CBS merger and the acquisitions of King World, two Texas television stations and the remaining 50% interest of UPN had occurred at the beginning of each period presented, exclude the third quarter 1999 Spelling restructuring charge and other non-recurring charges and reflect the adoption of the change in accounting as of January 1, 1999 as described below.

In the second quarter of 2000, the Company elected early adoption of the AICPA's Statement of Position "Accounting by Producers or Distributors of Films" ("SOP 00-2") which is effective for financial statements for fiscal years beginning after December 15, 2000. SOP 00-2 established new film accounting standards, including changes in revenue recognition and accounting for advertising, development and overhead costs. As a result of the early adoption, Television recorded a pre-tax charge of \$330 million, primarily related to Spelling Entertainment. This charge was recorded as a cumulative effect of a change in accounting and is not included in EBITDA and operating income above. Partially as a result of the adoption of SOP 00-2, prior year pro forma results are higher than the prior year as reported results due to the timing of distribution costs as required by SOP 00-2. The Television segment's operating results for 2000 were reduced by approximately \$9 million due to this accounting change.

License fees for completed television programming in syndication and on basic cable 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. As of December 31, 2000, the unrecognized revenues attributable to such licensing agreements were approximately \$622 million.

Infinity (Radio Stations, Outdoor Advertising Properties)

	Year Ended December 31,		Percent
	2000	1999	Better/(Worse)

As Reported:			
Revenues	\$2,764.7	--	NM
Operating income	\$ 589.4	--	NM
EBITDA	\$1,282.6	--	NM

Pro Forma:			
Revenues	\$4,037.2	\$3,562.4	13%
Operating income	\$ 727.8	\$ 479.8	52
EBITDA	\$1,794.1	\$1,505.5	19

NM--not meaningful

The Infinity segment is comprised of owned and operated radio stations and outdoor advertising properties.

For the year, Infinity Broadcasting, the Company's out-of-home media subsidiary, recorded pro forma revenues, EBITDA and operating income increases of 13%, 19% and 52%, respectively, principally driven by advertising revenue growth at both Infinity's radio stations and outdoor advertising businesses. Advertising revenue growth was primarily driven by higher advertising rates, reflecting increased demand for advertising at the majority of the radio stations and in the outdoor advertising business. Infinity Radio's pro forma net revenues and EBITDA increased 14% and 18%, respectively, principally reflecting strong growth in the top 15 radio markets, with New York, Los Angeles, Chicago and San Francisco delivering double-digit revenue and EBITDA growth for the year. Infinity's outdoor advertising businesses pro forma net revenues and EBITDA increased 13% and 23%, respectively. Pro forma results assume the acquisition of Infinity Broadcasting, as part of the CBS merger, and the completion of all acquisitions and related divestitures of radio and outdoor properties by Infinity Broadcasting, including the acquisition of Infinity Outdoor, formerly known as Outdoor Systems, Inc. and 18 radio stations from Clear Channel, occurred at the beginning of each period presented.

On February 21, 2001, the Company announced the completion of its merger with Infinity Broadcasting. Under the terms of the merger, which is tax free for the stockholders of Infinity and Viacom, each share of Infinity Class A Common Stock not owned by the Company, approximately 36%, has been converted into the right to receive 0.592 of a share of Viacom Class B Common Stock.

Entertainment (Production and distribution of Motion Pictures; as well as the operation of Movie Theaters, Theme Parks and Music Publishing)

	Year Ended December 31,		Percent
	2000	1999	Better/(Worse)

As Reported:			
Revenues	\$2,758.3	\$2,665.9	3%
Operating income	\$ 209.7	\$ 231.1	(9)
EBITDA	\$ 368.8	\$ 378.3	(3)

Pro Forma:			
Revenues	\$2,758.3	\$2,665.9	3%
Operating income	\$ 209.7	\$ 170.7	23
EBITDA	\$ 368.8	\$ 317.9	16

The Entertainment segment is comprised of Paramount Pictures, movie theaters, Paramount Parks and music publishing.

For the year, Entertainment revenues increased 3% to \$2.8 billion compared with the prior year, principally reflecting higher Features and Theaters revenues. Higher Features revenues were driven by increased worldwide theatrical and home video revenues as compared with 1999. Domestic theatrical revenues for 2000 included the strong performance of Mission: Impossible 2, What Women Want, Shaft, Rugrats in Paris: The Movie, Rules of Engagement, Snow Day and The Original Kings of Comedy. Foreign theatrical revenues for 2000 were higher primarily due to the success of Mission: Impossible 2, Shaft, Double Jeopardy and Sleepy Hollow. Home video revenues were higher and included contributions from Mission Impossible 2, Double Jeopardy, Runaway Bride, Sleepy Hollow and Rules of Engagement. Theater revenues were higher primarily as a result of additional new multiplex theaters opened since the end of 1999 and increased per capita spending. Parks' revenues were comparable with the prior year. Entertainment revenues for the prior year also included the recognition of a pay television license for library products and the renewal of a film processing agreement.

For the year, Entertainment's EBITDA and operating income decreased 3% and 9%, respectively, primarily due to lower Theaters profits as a result of higher operating costs and costs associated with opening additional

multiplexes in 2000. On a pro forma basis, Entertainment's EBITDA and operating income increased 16% and 23%, respectively, over the prior year. Pro forma results are presented as if the adoption of the change in accounting for motion pictures (as described below) had occurred at the beginning of each period presented. Parks' EBITDA and operating income for 2000 were higher than the prior year due to lower operating costs.

As a result of the Company's adoption of SOP 00-2 in the second quarter of 2000, Paramount Pictures recorded a pre-tax charge of \$423 million as a cumulative effect of a change in accounting which is not included in EBITDA and operating income above. For 2000, Entertainment's operating results were reduced by approximately \$20 million due to this accounting change. Prior year's pro forma results are lower than the as reported results due to the timing of when distribution expenses are recognized as required by SOP 00-2.

License fees for completed television exhibition of 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. As of December 31, 2000, the unrecognized revenues attributable to such licensing agreements were approximately \$1.0 billion.

Video (Home Video and Game rental and retail through traditional stores and the Internet)

	Year Ended December 31,		Percent
	2000	1999	Better/(Worse)
Revenues	\$4,960.1	\$4,463.5	11%
Operating income	\$ 75.7	\$ 127.9	(41)
EBITDA	\$ 534.8	\$ 520.3	3

The Video segment is comprised of Blockbuster's operations in the home video, DVD and video game rental and retailing business through traditional stores and the Internet.

For the year, Video revenues increased 11% driven by an increase in same store revenues and the increase in the number of Company-operated stores. Worldwide same store revenues increased 5.6% for the year ended December 31, 2000 and worldwide rental revenues increased 5.9%. For the year, international same store revenues increased 11.6% and domestic same store revenues increased 4.3% over 1999. Blockbuster ended the year with 7,677 company-owned and franchise stores, a net increase of 524 stores over the prior year.

Operating results for 2000 were impacted by Blockbuster's investment in its online operations, which began operations in the fourth quarter of 1999 and resulted in reductions to EBITDA and operating income of \$53.4 million and \$96.8 million, respectively. Excluding the amounts attributable to its online operations, Video's EBITDA and operating income increased 12% and 28%, respectively, as compared with the prior year. Additionally, during the fourth quarter of 2000, Blockbuster determined that the carrying value of certain hardware and capitalized software components primarily related to the e-commerce portion of its Internet site was impaired, and as a result, recorded a charge of approximately \$31.6 million as part of depreciation expense. Pro forma results exclude the impact of this impairment charge from depreciation expense.

For the year, Video's gross margin decreased to 59.0% from 60.5% principally due to an increase in the percentage of total revenues generated through revenue-sharing arrangements, as revenue-sharing arrangements on average have lower gross margins than do traditional buying arrangements. Blockbuster is continually evaluating its product mix and product offerings, as well as related strategic offerings, to try to optimize its stores' revenues and gross profit. Blockbuster intends to continue to increase its stores' depth of DVDs and other home entertainment products in response to accelerated consumer acceptance of DVD and other home entertainment products. These initiatives to optimize stores' revenues and gross profit may cause Blockbuster to alter the product mix in its stores. This continued consumer shift to DVD format may cause Blockbuster to rationalize its stores existing product mix which could result in a non-cash charge.

Publishing (Consumer Publishing)

	Year Ended December 31,		Percent
	2000	1999	Better/(Worse)
Revenues	\$596.0	\$610.7	(2)%
Operating income	\$ 49.6	\$ 54.3	(9)
EBITDA	\$ 71.3	\$ 74.0	(4)

The Publishing segment is comprised of Simon & Schuster, which includes imprints such as Pocket Books, Scribner and The Free Press.

For the year, Publishing experienced lower net sales at the Pocket Books and Trade divisions primarily due to lower frontlist sales which drove the EBITDA and operating income declines partially offset by increased license fees and lower product costs. In 2000, Trade division's best-selling titles included Before I Say Good-bye by Mary Higgins Clark, On Writing by Stephen King and Seat of the Soul by Gary Zukav and the Children's division best selling titles included Olivia by Ian Falconer.

Online (Interactive Online Services)

	Year Ended December 31,		Percent
	2000	1999	Better/(Worse)
As Reported:			
Revenues	\$ 100.7	\$ 29.8	238%
Operating income	\$(256.7)	\$(64.5)	(298)
EBITDA	\$(182.1)	\$(48.4)	(276)
Pro Forma:			
Revenues	\$ 113.2	\$ 43.2	162%
Operating income	\$(309.7)	\$(100.0)	(210)
EBITDA	\$(231.4)	\$(82.1)	(182)

The Company operates Internet sites that provide online music and offer a broad range of information, entertainment, news and promotional content.

For the year the increase in Online revenues, as reported and pro forma, reflect increased license fees and higher advertising revenues. Operating losses, as reported and pro forma, were driven by increased marketing expenses for iWon.com (a consolidated subsidiary), which was launched in the fourth quarter of 1999, and increased spending at MTVi. Pro forma results assume the CBS merger had occurred at the beginning of each period presented. Effective January 1, 2001, the Company will present its online businesses as part of the Cable Networks and Television segments and the Company will account for iWon as a deconsolidated investment.

Other Income and Expense Information 2000 versus 1999

Corporate Expenses/Eliminations

Corporate expenses/eliminations, excluding depreciation expense, of \$928.0 million for 2000 are intersegment profit eliminations of \$103.2 million and \$650 million of merger-related charges (of which \$400 million was non-cash). Pro forma corporate expenses, excluding intersegment profit eliminations and depreciation expense, were \$193.8 million for the year ended December 31, 2000 as compared with \$227.7 million for the prior year.

Depreciation and Amortization

For the year ended December 31, 2000, depreciation and amortization increased to \$2.2 billion as compared with \$844.7 million for 1999. This increase was primarily due to the Company's merger with CBS, which resulted in additional amortization expense of approximately \$1.0 billion. The goodwill associated with the CBS merger of approximately \$50 billion is being amortized on a straight-line basis over its useful life which does not exceed 40 years.

Interest Expense

Interest expense increased 83% to \$822.3 million for 2000 from \$448.9 million for 1999 due to higher average debt outstanding during 2000 as the Company assumed \$3.7 billion of debt with the CBS merger. The Company had approximately \$12.7 billion and \$6.0 billion principal amount of debt outstanding (including current maturities) at December 31, 2000 and December 31, 1999, respectively, at weighted average interest rates of 7.6% and 7.5%, respectively.

Interest Income

Interest income increased 92% to \$53.2 million for 2000 from \$27.7 million for 1999 due to higher marketable securities as a result of the CBS merger and favorable returns on investments.

Other Items, Net

In 2000, "Other items, net" of \$8.8 million principally reflects foreign exchange gains of \$31.7 million and net gains on the sale of assets of approximately \$44.3 million which were mostly offset by the write down of several internet cost investments to their current market value for approximately \$66.9 million. In 1999, "Other items, net" of \$17.8 million principally reflects a \$25.2 million foreign exchange gain partially offset by a net loss of approximately \$7.4 million from the sale of assets.

Provision for Income Taxes

The provision for income taxes represents federal, state and foreign income taxes on earnings before income taxes. The annual effective tax rates of 73.4% for 2000, excluding the 2000 merger-related charges of \$698 million, and 48.8% for 1999 were adversely affected by amortization of intangibles in excess of the amounts deductible for tax purposes. Excluding the non-deductible amortization of intangibles, the annual effective tax rates would have been 38.8% for 2000 and 35.4% for 1999.

Equity in Loss of Affiliated Companies, Net of Tax

"Equity in loss of affiliated companies, net of tax" was \$124.2 million for 2000 as compared to \$60.7 million for 1999, principally reflecting increased losses of internet equity ventures and losses in equity theater ventures partially offset by the improved performance of Comedy Central. In March 2000, the Company acquired the remaining 50% interest in UPN and began consolidating UPN's results of operations in the second quarter of 2000.

Minority Interest

Minority interest in 2000 primarily represents the minority ownership of Infinity Broadcasting and Blockbuster common stock. The Company acquired the remaining minority interest of Infinity Broadcasting that it did not own through a merger with Infinity, completed in February 2001.

Extraordinary Loss

In 1999, the Company recognized after-tax extraordinary losses on the early extinguishment of debt of \$37.7 million, or a loss of \$.06 per basic and diluted share.

Cumulative Effect of Change in Accounting Principle

For the year ended December 31, 2000, the Company recorded an after-tax non-cash charge of \$452.3 million, or \$.37 per basic and diluted share, resulting from the early adoption of the new accounting standard for motion pictures.

Net Earnings (Loss)

For the reasons described above, the Company reported a net loss of \$816.1 million for 2000 as compared with net earnings of \$334.0 million for 1999.

RESULTS OF OPERATIONS 1999 VERSUS 1998

Revenues increased 6% to \$12.9 billion for 1999 from \$12.1 billion for 1998. Revenue increases were paced by gains in the Cable Networks, Video and Publishing segments. Cable Networks recorded higher advertising revenues and affiliate fees for the year. Video's revenue gains were led by increases in worldwide same store sales and the increased number of system-wide stores in 1999. Entertainment's revenues were down slightly for the year as its worldwide theatrical and home video contributions did not match the extraordinary box office and home video success in 1998 of Titanic, Deep Impact and the theatrical performance of Saving Private Ryan.

Total expenses increased 3% to \$11.6 billion for 1999 from \$11.3 billion for 1998 principally reflecting normal increases associated with revenue growth and the Spelling charge of \$81.1 million. In addition, results for 1998 include the second quarter Blockbuster charge of \$424.3 million associated with an adjustment to the carrying value of rental tapes due to a new method of accounting.

EBITDA and operating income increased 37% to \$2.1 billion and 66% to \$1.2 billion, respectively, for 1999 from \$1.5 billion and \$751.6 million, respectively, for 1998. Excluding the impact of the Spelling charge recorded in the third quarter of 1999 and the second quarter 1998 Blockbuster charge from the results presented above, EBITDA increased 11% and operating income increased 13% for 1999.

Segment Results of Operations 1999 versus 1998

The following discussion of Viacom's segment results has been reclassified to conform to the 2000 segment presentation. No pro forma discussion is presented for the 1999 versus 1998 yearly results.

Cable Networks (Basic Cable and Premium Subscription Television Program Services)

	Year Ended December 31,		Percent
	1999	1998	Better/(Worse)
Revenues	\$3,045.5	\$2,607.9	17%
Operating income	\$ 932.4	\$ 744.3	25
EBITDA	\$1,053.1	\$ 851.3	24

For the year, MTVN revenues of \$2.25 billion, EBITDA of \$915.1 million and operating income of \$816.9 million increased 21%, 23% and 24%, respectively. The increase in MTVN's revenues principally reflects higher worldwide advertising revenues, up 22% for the year, and higher affiliate fees, up 13%, along with the success of MTVN's consumer products licensing programs, including Rugrats and Blue's Clues. Advertising revenue growth was driven by rate increases at VH1 and MTV and higher unit volume at MTV. Nickelodeon's advertising revenue growth was driven by the increased number of units sold and lower average unit rates which was principally due to a 2% decline in spending in the Kids' advertising segment during 1999 as well as increased competition in that category. The increased revenues drove MTVN's EBITDA and operating income gains.

SNI's revenues, EBITDA and operating income increased 7%, 14% and 19%, respectively, over the prior year. The revenue increases were principally due to an increase of approximately 3.5 million subscriptions, up 18% over the prior year to 23.2 million subscriptions at December 31, 1999. Operating results reflect revenue increases attributable to the continued growth of direct broadcast satellite subscriptions, as well as higher programming, marketing and advertising expenses to support subscription growth, and SNI's original films and branding initiatives.

Television (Television Stations; Television Production and Syndication)

	Year Ended December 31,		Percent
	1999	1998	Better/(Worse)
Revenues	\$2,352.0	\$2,271.4	4%
Operating income	\$ 143.4	\$ 262.4	(45)
EBITDA	\$ 271.5	\$ 372.9	(27)

For the year, Television revenues were higher primarily due to higher syndication revenues from Judge Judy, the first time availability of JAG, Star Trek: Voyager, The Sentinel and Viper, and from an additional season of Sister, Sister. Television programming revenues for the year also benefited from the recognition of a cable retransmission royalty settlement. For the year, the increase in programming revenues was partially offset by lower library syndication revenues.

Television's EBITDA and operating income decreased 27% and 45%, respectively, as the 1999 results were impacted by the Spelling charge. The Spelling charge of \$81.1 million was incurred in the third quarter of 1999, of which \$70.3 million was recorded as a restructuring charge and \$10.8 million was recorded as part of depreciation expense. The restructuring charge was primarily associated with the integration of Spelling's operations into Paramount Television, resulting in the elimination of duplicative sales forces and certain other back office functions. Excluding the impact of the Spelling charge, Television's EBITDA and operating income decreased 8% and 14%, respectively. For the year, Paramount television stations' revenues increased 2% to \$437.1 million, EBITDA increased 2% to \$151.5 million and operating income increased 1% to \$100.6 million.

License fees for completed television programming in syndication and on basic cable 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. As of December 31, 1999, the unrecognized revenues attributable to such licensing agreements were approximately \$462.1 million.

Entertainment (Production and distribution of Motion Pictures; as well as the operation of Movie Theaters, Theme Parks and Music Publishing)

	Year Ended December 31,		Percent
	1999	1998	Better/(Worse)
Revenues	\$2,665.9	\$2,914.3	(9)%
Operating income	\$ 231.1	\$ 235.5	(2)
EBITDA	\$ 378.3	\$ 368.7	3

For the year, Entertainment's revenues decreased as 1999 results did not match the prior year's extraordinary box office and home video success of Titanic and Deep Impact and the theatrical performance of Saving Private Ryan. Entertainment's revenues included strong theatrical contributions from Varsity Blues, Payback, The General's Daughter, Runaway Bride, Double Jeopardy, Sleepy Hollow and The Talented Mr. Ripley, but did not match 1998's box office success of Titanic, Saving Private Ryan, Deep Impact, The Truman Show and The Rugrats Movie. Foreign home video revenues were higher primarily driven by Saving Private Ryan, The Rugrats Movie and The Truman Show, but were offset by lower domestic home video revenues which did not match

1998's release of Titanic. Theaters' revenues were higher primarily as a result of the new multiplex theaters opened since the end of 1998.

Entertainment's EBITDA increased 3% principally due to the revenue items discussed above and a change in product mix while operating income decreased 2% reflecting higher depreciation expense for new theaters opened since the end of 1998. Theaters' EBITDA and operating income were lower for the year primarily due to the one-time costs associated with opening new multiplexes.

Theme Parks' revenue, EBITDA and operating income declines for the year reflect declines in overall attendance primarily due to increased competition at two of the parks and generally less than favorable weather conditions.

License fees for the television exhibition of motion pictures and for syndication and basic cable exhibition of television programming 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. As of December 31, 1999, the unrecognized revenues attributable to such licensing agreements were approximately \$1.2 billion.

Video (Home Video and Game rental and retail through traditional stores and the Internet)

	Year Ended December 31,		Percent
	1999	1998	Better/(Worse)
Revenues	\$4,463.5	\$3,893.4	15%
Operating income	\$ 127.9	\$ (342.2)	NM
EBITDA	\$ 520.3	\$ 39.9	NM

NM--not meaningful

For the year, Video's revenues were higher principally due to higher worldwide same store sales and the increased number of system-wide video stores. Worldwide same store sales, including rental and retail product, increased 8.3%, and worldwide same store rental revenues increased 10.1%. The increase in same store revenues was principally due to increases in the average domestic rental fee and increased sales of previously-viewed tapes. Blockbuster ended the year with 7,153 stores, a net increase of 772 stores over the prior year.

Video's EBITDA increased to \$520.3 million in 1999 from \$39.9 million in 1998. The 1999 results reflect Blockbuster's investment in its Internet business which resulted in a reduction to EBITDA and operating income of \$6.6 million and \$7.0 million, respectively, for the year ended December 31, 1999. The 1998 results reflect a charge taken in the second quarter of \$424.3 million associated with an adjustment to the carrying value of rental tapes due to a new method of accounting.

Excluding the amounts attributable to the investment in its Internet business and the effects of the 1998 charge, Video's EBITDA increased by \$62.7 million, or 14%, reflecting the continuing success of revenue growth programs implemented in the first quarter of 1999 which emphasize tape copy depth, promote customer loyalty and reward customer frequency. For the year, Video's gross margin percentage decreased slightly to 60.5% from 60.8%, excluding the Internet business' results in 1999 and the \$424.3 million charge taken in 1998.

Publishing (Consumer Publishing)

	Year Ended December 31,		Percent
	1999	1998	Better/(Worse)
Revenues	\$610.7	\$564.6	8%
Operating income	\$ 54.3	\$ 53.2	2
EBITDA	\$ 74.0	\$ 71.2	4

For the year, the improved revenues and operating results are due principally to higher sales in the Trade division, led by the best selling titles Tis by Frank McCourt, Hearts in Atlantis by Stephen King and When Pride Still Mattered by David Maraniss. The Children's division revenues also increased for the year driven by higher sales including the best-selling title The Dance by Richard Paul Evans and Eloise at Christmastime by Kay Thompson.

On November 27, 1998, the Company completed the sale of Non-Consumer Publishing for \$4.6 billion in cash. The Company realized a gain of \$65.5 million, net of tax, from the sale and presented Non-Consumer Publishing as a discontinued operation for 1998 and for all prior periods.

Online (Interactive Online Services)

	Year Ended December 31,		Percent
	1999	1998	Better/(Worse)
Revenues	\$ 29.8	\$13.7	118%
Operating income	\$(64.5)	\$(7.5)	NM
EBITDA	\$(48.4)	\$(3.5)	NM

NM--not meaningful

Revenue increases for the year principally reflect increased license fees and higher advertising revenues. The operating losses reflect the continued investments in the Company's online services.

On July 15, 1999, the Company together with Liberty Digital Inc. formed the MTVi Group, L.P. ("MTVi"). The Company contributed all of its assets used exclusively in its Internet music businesses, including the assets of Imagine Radio, which the Company acquired in February 1999, in exchange for a 90% equity interest in MTVi. Liberty Digital Inc. contributed all of its assets used in its Internet music businesses, including SonicNet.com and assets of The Box Worldwide, Inc. (certain of which were concurrently licensed to MTVN) in exchange for a 10% equity interest in MTVi.

Other Income and Expense Information 1999 versus 1998

Corporate Expenses/Eliminations

Corporate expenses/eliminations, excluding depreciation expense, decreased 9% to \$156.8 million for 1999 from \$171.6 million for 1998. Corporate expenses of \$174.1 million in 1999 increased 7% from \$162.0 million in 1998 while the benefit from eliminations of \$17.3 million increased over the prior year by approximately \$21 million principally due to the timing of the recognition of intersegment sales.

Interest Expense

Interest expense decreased 28% to \$448.9 million for 1999 from \$622.4 million for 1998 due to lower average debt outstanding of \$5.8 billion during 1999 versus \$7.4 billion during 1998. The Company had approximately \$6.0 billion and \$4.2 billion principal amount of debt outstanding (including current maturities) at December 31, 1999 and 1998, respectively, at weighted average interest rates of 7.5% and 7.8%, respectively.

Interest Income

Interest income increased 18% to \$27.7 million for 1999 from \$23.4 million for 1998.

Other Items, Net

"Other items, net" reflects \$17.8 million of income for 1999 compared to a loss of \$15.3 million in 1998. The net increase of \$33.1 million principally reflects a \$25.2 million foreign exchange gain in 1999 compared to a \$7.4 million foreign exchange loss in 1998. "Other items, net" also includes a net loss of approximately \$7.4

million from the sale of assets in 1999 and the loss of approximately \$91 million associated with the closing of the Viacom Entertainment Store partially offset by a net gain of approximately \$82.9 million from the sale of assets in 1998.

Provision for Income Taxes

The provision for income taxes represents federal, state and foreign income taxes on earnings before income taxes. The annual effective tax rates of 48.8% for 1999 and 101.0% for 1998 were both adversely affected by amortization of intangibles in excess of amounts which are deductible for tax purposes. Excluding the non-deductible amortization of intangibles, the annual effective tax rates would have been 35.4% for 1999 and 31.8% for 1998.

Equity in Loss of Affiliated Companies, Net of Tax

"Equity in loss of affiliated companies, net of tax" was \$60.7 million for 1999 as compared to \$41.4 million for 1998 principally reflecting increased net operating losses of UPN and international ventures partially offset by the improved results of Comedy Central.

Minority Interest

Minority interest primarily represents the minority ownership of Blockbuster common stock in 1999 and Spelling common stock in 1998.

Discontinued Operations

For 1998, discontinued operations reflect the results of operations, net of tax, of Non-Consumer Publishing and the music retail stores which were sold on November 27, 1998 and October 26, 1998, respectively. Discontinued operations also reflect the gain from the sale of Non-Consumer Publishing of \$65.5 million, net of tax, the loss from the sale of music retail stores of \$138.5 million, net of tax, additional losses recognized for Virgin Interactive operations prior to disposal of \$20.3 million, net of minority interest, the tax benefit associated with the disposal of Virgin Interactive of \$134.0 million and the reversal of excess cable split-off reserves.

Extraordinary Loss

During 1999 and 1998, the Company recognized after-tax extraordinary losses on the early extinguishment of debt of \$37.7 million and \$74.7 million, respectively.

Net Earnings (Loss)

For the reasons described above, net earnings of \$334.0 million for 1999 increased \$456.4 million from a loss of \$122.4 million for 1998.

Acquisitions and Merger-Related Charges

On May 4, 2000, CBS was merged with and into the Company (the "Merger"). The total purchase price of approximately \$39.8 billion included approximately \$37.7 billion for the issuance of 825.5 million shares of Viacom Class B Common Stock and 11,004 shares of Viacom Series C convertible preferred stock, which were subsequently converted into 11.0 million shares of Viacom Class B Common Stock and approximately \$1.9 billion for the fair value of CBS stock options assumed by the Company and transaction costs. In addition, Viacom assumed approximately \$3.7 billion of CBS debt.

The Company presently holds television stations which reach approximately 41% of United States television households (as calculated for this purpose under rules and regulations of the Federal Communications Commission (the "FCC"), which apply a 50% discount to the reach of UHF stations). These stations reach approximately 6% in excess of the 35% limit permitted by FCC regulations. In connection with FCC approval of the Merger, the Company was given one year to come into compliance with the limit. The Company has

challenged the rule in federal court and is seeking a stay of the requirement to come into compliance with the limit pending judicial review of the national ownership cap. The Company was also provided with one year to come into compliance with the FCC's "dual network" rule, which prohibits the Company from owning and controlling both CBS and UPN. On June 20, 2000, the FCC released a Notice of Proposed Rule Making, in which it proposes to modify the dual network rule, the effect of which would be to permit the Company to own both CBS and UPN.

In the second quarter of 2000, the Company recorded non-recurring merger-related charges of \$698 million (\$505 million after-tax or \$.41 per share), associated with the integration of Viacom and CBS and the acquisition of UPN (see Note 3). These amounts included non-cash charges of \$415 million principally attributable to compensation for stock options and \$283 million of cash payments and accrued liabilities for severance, transaction fees and costs. As of December 31, 2000, the Company had paid and charged approximately \$92 million for severance liabilities, \$27 million for transaction fees and \$6 million related to integration costs.

In June 1999, the Company completed its tender offer for all outstanding shares of Spelling common stock that it did not already own for \$9.75 per share in cash and then acquired the remaining outstanding shares of Spelling not tendered through a merger of Spelling and a wholly owned subsidiary of the Company. As a result of the merger, each share of Spelling common stock was also converted into the right to receive \$9.75 in cash. The consideration for tendered shares was approximately \$176 million.

In connection with the integration of the operations of Spelling into Paramount Television, the Company recorded a charge of approximately \$81.1 million, of which \$70.3 million was recorded as a restructuring charge and \$10.8 million was recorded as part of depreciation expense in the third quarter of 1999. Included in the charge were severance and employee related costs of \$48.1 million, lease termination and other occupancy costs of \$17.7 million and other exit costs of \$4.5 million. Severance and other employee related costs represent the costs to terminate approximately 250 employees engaged in legal, sales, marketing, finance, information systems, technical support and human resources for Spelling. Lease termination and other occupancy costs principally represent the expenses associated with vacating existing lease obligations in New York and Los Angeles. The depreciation expense of approximately \$10.8 million was associated with the fixed asset write-offs for software, leasehold improvements and equipment located at these premises. As of December 31, 2000, the Company had paid and charged approximately \$43.6 million against the severance liability, \$11.3 million against lease termination and other occupancy costs, and \$2.0 million against the other exit costs.

Other Acquisitions

On February 21, 2001, the Company completed a merger with Infinity Broadcasting, acquiring all of the issued and outstanding shares of Infinity common stock that it did not already own, approximately 36%. Under the terms of the merger, which is tax free for the stockholders of Infinity and Viacom, each share of Infinity Class A common stock was converted into the right to receive 0.592 of a share of Viacom Class B Common Stock. The total purchase price of approximately \$13.4 billion represents the issuance of approximately 232 million shares of Viacom Class B Common Stock and the fair value of Infinity stock options assumed by the Company.

On January 23, 2001, the Company completed its acquisition of BET for approximately \$3 billion, which principally represents the issuance of approximately 43.4 million shares of Viacom Class B Common Stock and the assumption by the Company of approximately \$590 million in debt.

On September 15, 2000, Infinity Broadcasting completed the acquisition of Memphis radio stations WMC-AM and WMC-FM from Raycom Media for approximately \$76 million.

On August 24, 2000, Infinity Broadcasting completed the acquisition of 18 radio stations from Clear Channel for \$1.4 billion in an asset transaction. These stations are located in San Diego, Phoenix, Denver, Cleveland, Cincinnati, Orlando and Greensboro--Winston-Salem.

On July 1, 2000, Infinity Broadcasting completed the acquisition of Waterman Broadcasting Corporation of Texas ("Waterman Broadcasting") in exchange for approximately 2.7 million shares of Infinity Broadcasting Class A common stock valued at approximately \$88 million. Waterman Broadcasting owns radio stations KTSA-AM and KTFM-FM in San Antonio, Texas.

During the second quarter of 2000, Infinity Broadcasting completed the acquisition of Giraudy, one of France's largest outdoor advertising companies, for approximately \$400 million. Infinity Broadcasting also acquired Societa Manifesti & Affissioni S.p.A., one of the leading Italian outdoor media sales companies, for approximately \$90 million.

On March 31, 2000, the Company acquired the remaining 50% interest in UPN that it did not already own. In the second quarter of 2000, the Company consolidated UPN's results of operations. Prior to this acquisition, the Company reported its proportionate share of net losses of UPN in "Equity in loss of affiliated companies, net of tax" in the Consolidated Statements of Operations.

Liquidity and Capital Resources

The Company expects to fund its anticipated cash requirements (including the anticipated cash requirements of its capital expenditures, share repurchase programs, joint ventures, commitments and payments of principal and interest on its outstanding indebtedness) with internally generated funds, in addition to various external sources of funds. The external sources of funds may include the Company's access to commercial paper and the Company's credit agreements, co-financing arrangements by the Company's various divisions relating to the production of entertainment products, and/or additional financings.

As of December 31, 2000, the Company had certain restrictions on Infinity Broadcasting's cash balance of \$143.0 million, reflected in the Company's consolidated cash amount of \$934.5 million. Infinity Broadcasting's cash became available to Viacom upon the merger of Infinity into a subsidiary of Viacom, effective February 21, 2001.

Subsequent to its August 1999 initial public offering, Blockbuster no longer participates in the Company's centralized cash management system. Cash generated by Blockbuster's operations is expected to be retained by Blockbuster to fund its anticipated cash requirements.

The Company filed a shelf registration statement with the Securities and Exchange Commission registering debt securities, preferred stock and warrants of Viacom that may be issued for aggregate gross proceeds of \$5.0 billion. The registration statement was declared effective on January 8, 2001. The net proceeds from the sale of the offered securities may be used by Viacom for general corporate purposes, including repayment of borrowings, working capital and capital expenditures; or for such other purposes as may be specified in the applicable Prospectus Supplement. To date, the Company has not issued any securities under the shelf registration statement.

On July 7, 1999, the Viacom Five-Year Warrants expired. The Company received proceeds of approximately \$317 million and issued approximately 9.0 million shares of its Class B Common Stock in connection with the exercise of 4.5 million warrants issued as part of the 1994 acquisition of Paramount Communications.

At December 31, 2000, National Amusements, Inc. ("NAI") beneficially owned approximately 68% of Viacom Inc. Class A Common Stock and approximately 13% of Class A and Class B Common Stock on a combined basis.

Share Repurchase Programs

During 2000, the Company repurchased 10,000 shares of its Class A Common Stock and 34.2 million shares of its Class B Common Stock for approximately \$1.95 billion in the aggregate. Fourth quarter 2000 repurchases

included in this total amounted to \$356.8 million. In January 2001, the Company repurchased 1.1 million shares of its Class B Common Stock for approximately \$56.3 million. On February 1, 2001, the Company initiated a new repurchase program to acquire up to \$2.0 billion of Viacom Class B Common Stock, and through March 19, 2001, the Company had repurchased under this program 2.8 million shares of its Class B Common Stock for \$141.5 million.

During 1999, the Company had repurchased 25,000 shares of its Class A Common Stock, 10.6 million shares of its Class B Common Stock and 1.1 million Viacom Five-Year Warrants, for approximately \$466.4 million in the aggregate. During 1998, the Company had repurchased a total of 12,000 shares of its Class A Common Stock, 26.2 million shares of its Class B Common Stock and 5.5 million Viacom Five-Year Warrants, for approximately \$822.0 million in the aggregate.

On December 2, 1998, the Company repurchased 12 million shares of its convertible preferred stock from Bell Atlantic Corporation for \$564 million in cash. On January 5, 1999, the Company repurchased the remaining 12 million shares of its convertible preferred stock from Bell Atlantic Corporation for \$612 million in cash.

Commitments and Contingencies

The Company, Blockbuster and Paramount Home Entertainment are among the defendants in a lawsuit filed on July 21, 1999 in the United States District Court for the Western District of Texas by one former and three present independent video retailers against the major motion picture studios and the Company. The plaintiffs, purporting to act as class representatives on behalf of themselves and all others similarly situated, allege that the Company and the studios conspired among themselves and with Blockbuster to restrain competition in the nationwide market for distribution of videocassettes for rental to the public in violation of federal and California law. Plaintiffs seek injunctive relief under federal law as well as triple the amount of the alleged actual damages to themselves and those similarly situated under California statutes. In January 2001, plaintiffs moved to withdraw their California state law claims from the federal lawsuit in Texas and filed a substantially similar complaint with approximately 200 additional named plaintiffs in Superior Court for the County of Los Angeles. This complaint also sought certification of a nationwide class of similarly situated plaintiffs. In March 2001, the Texas court denied the plaintiffs' motion for class certification of both the federal and the California state law claims in the federal action and denied the plaintiffs' motion to withdraw their California state law claims from that action. The Company believes that the plaintiffs' position in these litigations is without merit and intends to defend itself vigorously in the litigations.

The Company is a defendant in numerous lawsuits claiming various asbestos-related personal injuries, which allegedly occurred from use or inclusion of asbestos in certain products supplied by previously divested industrial business, generally in the pre-1970 time period. Typically, these lawsuits are brought against multiple defendants in state and Federal courts. The Company was neither a manufacturer nor a producer of asbestos. As of December 31, 2000, the Company had pending approximately 99,590 asbestos cases, excluding cases in various stages of settlement. The Company has brought suit against certain of its insurance carriers with respect to asbestos claims. Under the terms of a settlement agreement resulting from this suit, carriers that have agreed to the settlement are now reimbursing the Company for a substantial portion of its current costs and settlement associated with asbestos claims. The Company believes that it has meritorious defenses to asbestos matters, that where appropriate it has adequately provided for resolution of matters and that any ultimate liability resulting from asbestos matters is not likely to have a material adverse effect on its results of operations, financial position or cash flows.

The Company from time to time receives claims from federal and state environmental regulatory agencies and other entities asserting that it is or may be liable for environmental cleanup costs and related damages, principally relating to discontinued operations conducted by companies acquired by the Company. The Company's liabilities reflect management's best estimate of its environmental exposure. Such liability was not discounted or reduced by potential insurance recoveries and reflects management's estimate of cost sharing at

multi-party sites. The estimated liability was calculated based upon currently available facts, existing technology and presently enacted laws and regulations. On the basis of its experience and the information currently available to it, the Company believes that the claims it has received will not have a material adverse effect on its results of operations, financial position or liquidity.

In addition to the above matters, the Company and various of its subsidiaries are parties to certain other legal proceedings. Litigation is inherently uncertain and always difficult to predict. However, based on its understanding and evaluation of the relevant facts and circumstances, the Company believes that these matters are not likely to have a material adverse effect on its results of operations, financial position or cash flows.

The commitments of the Company for program license fees, estimated to aggregate approximately \$15.2 billion, are not reflected in the balance sheet as of December 31, 2000. These commitments include approximately \$10.8 billion for the acquisition of sports programming rights. A majority of such fees are payable over several years, as part of normal programming expenditures. See Note 15 of Notes to Consolidated Financial Statements for a description of the Company's future minimum lease commitments and franchise payments.

Financial Position

Current assets increased to \$7.8 billion as of December 31, 2000 from \$5.2 billion as of December 31, 1999, due to the addition of approximately \$2.9 billion in current assets resulting from the CBS merger, partially offset by a reduction in inventory reflecting the impact of the adoption of SOP 00-2. The allowance for doubtful accounts as a percentage of receivables decreased to 5.8% for 2000 from 6.1% for 1999. The change in property and equipment principally reflects the addition of approximately \$3.1 billion in fixed assets due to the Merger and capital expenditures of \$659.0 million for new and existing video stores and construction of new movie theaters, partially offset by depreciation expense of \$799.7 million. Intangibles of \$62.0 billion at December 31, 2000 increased by \$50.5 billion compared to \$11.5 billion as of December 31, 1999, principally reflecting the CBS merger and other acquisitions. Current liabilities increased \$3.4 billion to \$7.8 billion as of December 31, 2000 due to the addition of approximately \$3.2 billion resulting from the Merger. Non-current liabilities of \$19.9 billion reflect the inclusion of \$3.7 billion of debt and \$5.6 billion of other liabilities from the Merger. The minority interest balance of \$7.0 billion as of December 31, 2000 included \$5.7 billion of the minority ownership interest of Infinity.

The Company continually monitors its positions with, and credit quality of, the financial institutions which are counterparties to its financial instruments. The Company is exposed to credit loss in the event of nonperformance by the counterparties to the agreements. However, the Company does not anticipate nonperformance by the counterparties. The Company's receivables do not represent significant concentrations of credit risk at December 31, 2000, due to the wide variety of customers, markets and geographic areas to which the Company's products and services are sold.

Cash Flows

Net cash flow provided by operating activities of \$2.3 billion in 2000 primarily reflects the net loss of \$816.1 million adjusted for non-cash expenses of \$2.2 billion for depreciation and amortization, \$415 million of merger-related charges and \$753.9 million for the cumulative effect of change in accounting principle partially offset by increases to receivables and payment of accrued liabilities. Net cash flow from operations of \$294.1 million in 1999 primarily reflected net earnings of \$334.0 million plus depreciation and amortization expenses of \$844.7 million, partially offset by the increased investment in inventory of \$512.7 million and an increase in unbilled receivables of \$120.7 million. Net cash expenditures for investing activities of \$2.9 billion for 2000 principally reflect capital expenditures of \$659.0 million and acquisitions of \$2.4 billion principally for radio stations and outdoor businesses. Net cash expenditures for investing activities of \$1.1 billion for 1999 principally reflect capital expenditures and the Spelling transaction as well as acquisitions of video stores and television stations. Financing activities for 2000 principally reflect approximately \$3.1 billion of borrowings from banks and proceeds from the issuance of senior notes and debentures partially offset by the purchase of treasury stock. Financing activities for 1999 principally reflect borrowings and repayment of debt as well as the repurchase of the Company's common stock, warrants and convertible preferred stock.

Planned capital expenditures, including information systems costs, are approximately \$625 million to \$675 million in 2001. Capital expenditures are primarily related to capital additions for cable networks, television and radio equipment, new and existing video stores and theme park attractions. The Company's joint ventures are expected to require estimated net cash contributions of approximately \$15 million to \$25 million in 2001.

For the year ended December 31, 2000, cash flow from operating activities used to fund federal, state and local and foreign income taxes amounted to \$61.2 million. Certain non-recurring tax deductions significantly reduced cash taxes paid in 2000. These tax deductions in the aggregate totaled \$2.3 billion and included severance costs relating to the Merger, the adoption of SOP 00-2, the amortization of a prior year cumulative change in an income tax method of accounting for inventory at Blockbuster, stock option exercises and limited right stock option exercises arising from the Merger. With the absence of such deductions, cash taxes to be paid in 2001 are expected to increase significantly.

Capital Structure

The following table sets forth the Company's long-term debt:

At December 31,	2000	1999
Notes payable to banks, including commercial paper	\$ 5,735.5	\$3,054.2
Senior debt	5,662.7	2,310.9
Senior subordinated debt	664.4	35.3
Subordinated debt	39.4	--
Other notes	43.5	--
Obligations under capital leases	552.2	591.6
	12,697.7	5,992.0
Less current portion	223.9	294.3
	\$12,473.8	\$5,697.7

Debt, including the current portion, as a percentage of total capitalization of the Company decreased to 21% at December 31, 2000 from 35% at December 31, 1999.

As a result of the Merger, Viacom assumed approximately \$3.7 billion of CBS debt.

On March 28, 2000, the Viacom Credit Agreements were amended to allow for the merger of CBS with and into the Company. On April 17, 2000, the CBS credit agreement, which consisted of a \$1.5 billion revolving credit facility maturing August 29, 2001 and the Infinity credit agreement, which consisted of a \$1.5 billion revolving credit facility maturing August 29, 2001, were amended to allow for the merger of CBS with and into the Company. On May 3, 2000, Infinity Broadcasting entered into two new credit facilities, totaling \$1.95 billion, comprised of a \$1.45 billion 5-year revolving credit facility and a \$500 million 364-day revolving credit facility. Borrowing rates under the CBS and Infinity facilities were determined at the time of each borrowing and were based generally on a floating rate index, the London Interbank Offer Rate ("LIBOR"), plus a margin based on the respective senior unsecured debt rating.

On March 7, 2001, the Company cancelled all of the above-mentioned credit agreements other than the Infinity Broadcasting \$1.45 billion facility, and entered into two new credit facilities. These two new facilities total \$3.5 billion and are comprised of a \$1.5 billion 5-year revolving credit facility and a \$2.0 billion 364-day revolving credit facility. The Company also amended and restated the Infinity Broadcasting \$1.45 billion facility, substantially to conform to the terms and conditions of the new \$1.5 billion 5-year revolving credit facility and to designate the Company as the borrower. The primary purpose of the facilities is to support commercial paper borrowings. The Company, at its option, may borrow in certain foreign currencies up to specified limits under the new \$1.5 billion 5-year revolving credit facility. Borrowing rates under the facilities are determined

at the time of each borrowing and are based generally on LIBOR plus a margin based on the Company's senior unsecured debt rating. At December 31, 2000, LIBOR for borrowing periods of one month and two months were 6.56% and 6.49%, respectively.

The new and amended facilities contain certain covenants which, among other things, require that the Company maintain a minimum interest coverage ratio. At December 31, 2000, the Company was in compliance with the financial covenants. The Company expects to be in compliance and satisfy all such covenants as may be applicable from time to time during 2001.

The Company pays a commitment fee based on the total amount of the loan commitments. As of March 7, 2001, the facilities totaled \$4.95 billion.

In March 2001, the Company increased its commercial paper program from \$4.0 billion to \$4.95 billion and Infinity Broadcasting cancelled its \$3.25 billion commercial paper program. Borrowings under the program have maturities of less than a year and are supported by unused committed bank facilities. At December 31, 2000, the Company had borrowings under the program of approximately \$1.7 billion and Infinity Broadcasting had borrowings under its commercial paper program of approximately \$2.1 billion.

On January 9, 2001, the Company issued, under Rule 144A, \$400 million of 6.40% unsecured senior notes due January 30, 2006, \$500 million of 7.70% unsecured senior notes due July 30, 2010, and \$750 million of 7.875% unsecured senior debentures due July 30, 2030; interest on the senior notes and debentures will be payable semi-annually. Proceeds from the debt issuance were used to repay bank debt, including commercial paper. During March 2001, these notes and debentures were exchanged for registered notes and debentures. The unsecured senior debentures and the unsecured senior notes due July 30, 2010 are redeemable at any time at their principal amount plus the applicable premium and accrued interest.

On August 1, 2000, the Company issued \$1.15 billion of 7.70% unsecured senior notes due July 30, 2010 and \$500 million of 7.875% unsecured senior debentures due July 30, 2030; interest on the senior notes and debentures will be payable semi-annually. Proceeds from the debt issuance were used to repay bank debt, including commercial paper. The senior notes and debentures are redeemable at any time at their principal amount plus the applicable premium and accrued interest.

On February 1, 2001, the Company redeemed all \$60.3 million outstanding of Infinity Broadcasting's 9% senior subordinated notes due 2006 at a redemption price equal to 104.5% of the principal amount. On December 1, 2000, the Company redeemed all \$105.3 million outstanding of Infinity Broadcasting's 9.75% senior subordinated notes due 2005 at a redemption price equal to 104.9% of the principal amount.

During 1999, the Company redeemed the remaining \$211.8 million principal amount of its 8% merger debentures outstanding and recognized an extraordinary loss of \$37.4 million, net of tax, on the early redemption.

The Company has classified short-term indebtedness as long-term debt based upon its intent and ability to refinance such indebtedness on a long-term basis. The Company's scheduled maturities of long-term debt outstanding at December 31, 2000, excluding capital leases, are as follows:

	Year of Maturity				
	2001	2002	2003	2004	2005
Long-term debt	\$1,557.8	\$2,507.4	\$911.7	\$667.5	\$2,924.8

Blockbuster Credit Agreement

On June 21, 1999, Blockbuster entered into a \$1.9 billion unsecured credit agreement (the "Blockbuster Credit Agreement") with a syndicate of banks. The Blockbuster Credit Agreement was comprised of a \$700

million long-term revolver due July 1, 2004; a \$600 million term loan due in quarterly installments beginning April 1, 2002 and ending July 1, 2004; and a \$600 million short-term revolver, which was paid down during 2000. The repayment of the short-term revolver permanently reduced the borrowing capacity under the Blockbuster Credit Agreement from \$1.9 billion to \$1.3 billion. Interest rates under the Blockbuster Credit Agreement are based on the prime rate or LIBOR at Blockbuster's option at the time of borrowing. A variable commitment fee based on the total leverage ratio is charged on the unused amount of the revolver (.25% at December 31, 2000).

The Blockbuster Credit Agreement contains certain restrictive covenants, which, among other things, relate to the payment of dividends, repurchase of Blockbuster's common stock or other distributions and also require compliance with certain financial covenants with respect to a maximum leverage ratio and a minimum fixed charge coverage ratio. At December 31, 2000, Blockbuster was in compliance with all financial covenants under the Blockbuster Credit Agreement.

On June 23, 1999, Blockbuster borrowed \$1.6 billion, comprised of \$400 million borrowed under the long-term revolver, \$600 million borrowed under the term loan, and \$600 million under the short-term revolver. The proceeds of the borrowings were used to pay amounts owed to Viacom. Blockbuster repaid \$442.9 million of the short-term revolver through proceeds from its initial public offering and repaid the remaining \$157.1 million of the short-term revolver during the year ended December 31, 2000. Blockbuster had \$278.0 million of available borrowing capacity under the long-term revolver at December 31, 2000. The weighted average interest rate at December 31, 2000 for these borrowings was 8.0%.

Blockbuster's scheduled maturities of long-term debt outstanding at December 31, 2000, excluding capital leases, are as follows:

	Year of Maturity				
	2001	2002	2003	2004	2005
Long-term debt	\$8.0	\$158.8	\$279.3	\$599.9	\$1.0

Market Risk

The Company uses derivative financial instruments to reduce its exposure to market risks from changes in foreign exchange rates and interest rates. The Company does not hold or issue financial instruments for speculative trading purposes. The derivative instruments used are foreign exchange forward contracts, spots and options. The foreign exchange contracts have principally been used to hedge the British Pound, the Australian Dollar, the Japanese Yen, the Canadian Dollar, the Singapore Dollar and the European Union's common currency (the "Euro"). These derivatives, which are over-the-counter instruments, are non-leveraged. Realized gains and losses on contracts that hedge anticipated future cash flows are recognized in "Other items, net" and were not material in any of the periods presented. The Company is primarily vulnerable to changes in LIBOR which is the rate currently used in existing agreements; however, the Company does not believe this exposure to be material.

The Company entered into interest rate exchange agreements with off-balance sheet risk in order to reduce its exposure to changes in interest on its variable rate long-term debt and/or take advantage of changes in interest rates. These interest rate exchange agreements include interest rate swaps and interest rate caps. At December 31, 2000, the Company had no interest rate exchange agreements outstanding with commercial banks.

Other Matters

On August 10, 1999, Blockbuster sold to the public 31 million shares of its Class A common stock for \$15 per share. The shares are traded on the New York Stock Exchange. The Company, through its ownership of all of the 144 million shares of Blockbuster Class B common stock outstanding, retained approximately 82% of

the total equity value in, and approximately 96% of the combined voting power of, Blockbuster. Proceeds from the offering aggregated \$442.9 million, net of underwriting discounts and commissions and before payment of offering expenses, and were used by Blockbuster to repay outstanding indebtedness under a \$1.9 billion term and revolving credit agreement. The Company recorded a reduction to equity of approximately \$662 million as a result of the issuance of subsidiary stock.

In 1999, the Company announced that it intended to split-off Blockbuster by offering to exchange all of its shares of Blockbuster common stock for shares of the Company's common stock. The split-off was subject to approval by the Company's Board of Directors and an assessment of market conditions. The Company no longer has any plans for the split-off of Blockbuster.

Recent Pronouncements

In June 2000, the Company elected early adoption of Statement of Position 00-2, "Accounting by Producers or Distributors of Films" ("SOP 00-2"). SOP 00-2 established new film accounting standards, including changes in revenue recognition and accounting for advertising, development and overhead costs. Under the new accounting standard, all exploitation costs such as advertising expenses, marketing costs and video duplication costs for theatrical and television product will be expensed as incurred, whereas under the old accounting standards, these costs were capitalized and amortized over the products' lifetime. As a result of this early adoption in the second quarter of 2000, the Company recorded a pre-tax non-cash charge of \$754 million (\$452 million after-tax or \$.37 per share). This charge has been reflected as a cumulative effect of a change in accounting principle, effective January 1, 2000, in the consolidated statement of operations for the year ended December 31, 2000. Under the SOP 00-2 for the year ended December 31, 2000, the Company reported lower operating results of approximately \$77 million.

In June 2000, the Financial Accounting Standards Board ("FASB") issued Statement 139 ("SFAS 139") which rescinds FASB Statement 53 on financial reporting by motion picture film producers or distributors. SFAS 139 requires public companies to follow the guidance provided by SOP 00-2.

In June 1998, the FASB issued SFAS 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133"), effective for fiscal years beginning after June 15, 2000, as amended by Statements 137 and 138 in June 1999 and June 2000, respectively. These statements require companies to recognize all derivatives as either assets or liabilities on the balance sheet and measure those instruments at fair value. The statements also established new accounting rules for hedging instruments which, depending on the nature of the hedge, require that changes in the fair value of the derivatives either be offset against the change in fair value of assets, liabilities or firm commitments through earnings, or be recognized in other comprehensive income until the hedged item is recognized in earnings. The Company adopted SFAS 133, as amended, on January 1, 2001, which resulted in an immaterial impact on the Company's consolidated results of operations and financial position.

In December 1999, the Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin ("SAB") 101, "Revenue Recognition in Financial Statements" ("SAB 101"). SAB 101 summarizes certain of the SEC's staff's views in applying generally accepted accounting principles to revenue recognition in financial statements. During the fourth quarter of 2000, the Company adopted SAB 101 and accordingly, reclassified previously reported gross revenues in its Television and Entertainment segments to a net basis.

Euro Conversion

In January 1999, eleven member countries of the European Union established permanent conversion rates between their existing currencies and the Euro. The transition period for the introduction of the Euro will be between January 1, 1999 and June 30, 2002. The Company conducts business in member countries and is addressing the issues involved with the introduction of the Euro. The more important issues facing the Company include: converting information technology systems, reassessing currency risk, negotiating and amending licensing agreements and contracts, and processing tax, accounting, payroll and customer records.

Based on the progress to date, the Company believes that the transition to the Euro currency will not have a significant impact on the manner in which it conducts its business affairs and processes its business and accounting records. Accordingly, conversion to the Euro is not expected to have a material effect on the Company's financial condition or results of operations.

Cautionary Statement Concerning Forward-Looking Statements

This document and the documents incorporated by reference into this Form 10-K, including "Item 7. Management's Discussion and Analysis of Results of Operations and Financial Condition", 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 and section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are not based on historical facts, but rather reflect the Company's current expectations concerning future results and events. These forward-looking statements generally can be identified by the use of statements that include phrases such as "believe," "expect," "anticipate," "intend," "plan," "foresee," "likely," "will" or other similar words or phrases. Similarly, statements that describe the Company's objectives, plans or goals are or may be forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be different from any future results, performance and achievements expressed or implied by these statements.

The following important factors, among others, could affect future results, causing these results to differ materially from those expressed in the Company's forward-looking statements:

- . The Company derives substantial revenues from the sale of advertising time on its over-the-air networks, basic cable networks, television stations, radio stations and outdoor businesses. The advertising market has recently experienced softness. The sale of advertising time is affected by viewer demographics, viewer ratings and market conditions for advertising time. Adverse changes to any of these factors could have a negative effect on revenues.
- . Operating results derived from the Company's motion picture and television production fluctuate depending primarily upon cost of such productions and acceptance of such productions by the public, which are difficult to predict. Motion picture and television production has experienced cycles in which increased costs of talent and other factors have resulted in higher production costs. In addition, the commercial success of the Company's motion picture and television productions also depends upon the quality and acceptance of other competing productions, and the availability of alternative forms of entertainment and leisure time activities.
- . The Company's operating results also fluctuate due to the timing and availability of theatrical and home video releases, as well as a result of the recording of license fees for television exhibition of motion pictures and for syndication and basic cable exhibition of television programming in the period that the products are available for such exhibition.
- . The Company's basic cable networks and premium subscription television networks are dependent on affiliation agreements with cable and direct broadcast satellite distributors on acceptable terms. The loss of carriage on such distributors, or continued carriage on less favorable terms, could adversely affect, with respect to basic cable networks, revenues from subscriber fees and the ability to sell advertising time, and with respect to premium subscription television networks, subscriber fee revenues.
- . Some of the Company's businesses are seasonal. More specifically, the home video business and consumer publishing business are subject to increased periods of demand coinciding with summer and winter holidays, while a substantial majority of the theme parks operating income is generated from May through September. In addition, the home video and theme parks businesses' revenues are influenced by weather.

- . Changes in FCC laws and regulations could, directly or indirectly, adversely affect the operations and ownership of the Company's properties.
- . The Company has contingent liabilities related to discontinued operations, including environmental liabilities and pending litigation. While there can be no assurance in this regard, the pending or potential litigation, environmental and other liabilities should not have a material adverse effect on the Company.
- . The Company may be adversely affected by changes in technology and its effect on competition in the Company's markets.
- . Labor agreements covering the services of writers and actors which the Company utilizes in its motion picture and television businesses are currently scheduled to expire during 2001. Work stoppages and/or higher costs in connection with these agreements could adversely impact the ability of the Company to produce or acquire new programming.
- . Other economic, business, competitive and/or regulatory factors affecting the Company's businesses generally.

These factors are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors also could have material adverse effects on our future results. The forward-looking statements included in this document are only made as of the date of this document and the Company does not have any obligation to publicly update any forward-looking statements to reflect subsequent events or circumstances. The Company cannot assure you that projected results or events will be achieved. You should review carefully all information, including the financial statements and the notes to the financial statements, included or incorporated by reference into this Form 10-K.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk.

Response to this item is included in "Item 7--Management's Discussion and Analysis of Results of Operations and Financial Condition--Market Risk."

Item 8. Financial Statements and Supplementary Data.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and
Stockholders of Viacom Inc.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of cash flows and of stockholders' equity and comprehensive income present fairly, in all material respects, the financial position of Viacom Inc. and its subsidiaries (the "Company") at December 31, 2000 and 1999 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 14(a) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedule are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

February 12, 2001, except for the first paragraph of Note 2,
which is as of February 21, 2001

MANAGEMENT'S STATEMENT OF RESPONSIBILITY FOR FINANCIAL REPORTING

Management has prepared and is responsible for the consolidated financial statements and related notes of Viacom Inc. They have been prepared in accordance with generally accepted accounting principles and necessarily include amounts based on judgments and estimates by management. All financial information in this annual report is consistent with the consolidated financial statements.

The Company maintains internal accounting control systems and related policies and procedures designed to provide reasonable assurance that assets are safeguarded, that transactions are executed in accordance with management's authorization and properly recorded, and that accounting records may be relied upon for the preparation of consolidated financial statements and other financial information. The design, monitoring, and revision of internal accounting control systems involve, among other things, management's judgment with respect to the relative cost and expected benefits of specific control measures. The Company also maintains an internal audit function which evaluates and reports on the adequacy and effectiveness of internal accounting controls, policies and procedures.

Viacom Inc.'s consolidated financial statements have been audited by PricewaterhouseCoopers LLP, independent accountants, who have expressed their opinion with respect to the presentation of these statements.

The Audit Committee of the Board of Directors, which is comprised solely of directors who are not employees of the Company, meets periodically with the independent accountants, with our internal auditors, as well as with management, to review accounting, auditing, internal accounting controls and financial reporting matters. The Audit Committee is also responsible for recommending to the Board of Directors the independent accounting firm to be retained for the coming year, subject to stockholder approval. The independent accountants and the internal auditors have full and free access to the Audit Committee with and without management's presence.

Viacom Inc.

By: /s/ Sumner M. Redstone
Sumner M. Redstone
Chairman of the Board of
Directors,
Chief Executive Officer

By: /s/ Fredric G. Reynolds
Fredric G. Reynolds
Executive Vice President,
Chief Financial Officer

By: /s/ Susan C. Gordon
Susan C. Gordon
Vice President, Controller,
Chief Accounting Officer

VIACOM INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except per share amounts)

	Year Ended December 31,		
	2000	1999	1998
Revenues	\$20,043.7	\$12,858.8	\$12,096.1
Expenses:			
Operating	11,707.1	8,337.9	8,506.3
Selling, general and administrative	4,093.7	2,358.6	2,060.9
Merger-related and restructuring charges	698.5	70.3	--
Depreciation and amortization	2,223.5	844.7	777.3
Total expenses	18,722.8	11,611.5	11,344.5
Operating income	1,320.9	1,247.3	751.6
Interest expense	(822.3)	(448.9)	(622.4)
Interest income	53.2	27.7	23.4
Other items, net	8.8	17.8	(15.3)
Earnings from continuing operations before income taxes	560.6	843.9	137.3
Provision for income taxes	(729.8)	(411.4)	(138.7)
Equity in loss of affiliated companies, net of tax	(124.2)	(60.7)	(41.4)
Minority interest, net of tax	(70.4)	(.1)	(.7)
Net earnings (loss) from continuing operations before extraordinary loss and cumulative effect of change in accounting principle	(363.8)	371.7	(43.5)
Discontinued operations loss, net of tax	--	--	(54.1)
Net gain on dispositions, net of tax	--	--	49.9
Net earnings (loss) before extraordinary loss and cumulative effect of change in accounting principle	(363.8)	371.7	(47.7)
Extraordinary loss, net of tax	--	(37.7)	(74.7)
Cumulative effect of change in accounting principle, net of tax	(452.3)	--	--
Net earnings (loss)	(816.1)	334.0	(122.4)
Cumulative convertible preferred stock dividend requirement	--	(.4)	(57.2)
(Premium) discount on repurchase of preferred stock	--	(12.0)	30.0
Net earnings (loss) attributable to common stock	\$ (816.1)	\$ 321.6	\$ (149.6)
Basic earnings per common share:			
Earnings (loss) from continuing operations	\$ (.30)	\$.52	\$ (.10)
Net earnings (loss)	\$ (.67)	\$.46	\$ (.21)
Diluted earnings per common share:			
Earnings (loss) from continuing operations	\$ (.30)	\$.51	\$ (.10)
Net earnings (loss)	\$ (.67)	\$.45	\$ (.21)
Weighted average number of common shares:			
Basic	1,225.3	695.2	708.7
Diluted	1,225.3	709.5	708.7

See notes to consolidated financial statements.

VIACOM INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In millions)

	At December 31,	
	2000	1999
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 934.5	\$ 680.8
Receivables, less allowances of \$246.2 (2000) and \$109.5 (1999)	3,964.1	1,697.4
Inventory (Note 8)	1,402.0	1,959.5
Other current assets	1,531.8	860.7
Total current assets	7,832.4	5,198.4
Property and Equipment:		
Land	713.8	450.3
Buildings	837.1	660.1
Capital leases	852.5	881.9
Advertising structures	2,076.5	--
Equipment and other	4,505.8	3,263.6
	8,985.7	5,255.9
Less accumulated depreciation and amortization	2,383.9	1,830.6
Net property and equipment	6,601.8	3,425.3
Inventory (Note 8)	3,632.9	2,829.5
Intangibles, at amortized cost	62,004.1	11,478.9
Other assets	2,574.9	1,554.3
Total Assets	\$82,646.1	\$24,486.4
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 1,261.1	\$ 544.4
Accrued expenses	2,790.2	1,431.2
Deferred income	605.9	371.4
Accrued compensation	642.0	473.3
Participants' share, residuals and royalties payable	1,220.3	1,087.2
Program rights	709.8	196.9
Income taxes payable	305.0	1.0
Current portion of long-term debt	223.9	294.3
Total current liabilities	7,758.2	4,399.7
Long-term debt (Note 10)	12,473.8	5,697.7
Pension and postretirement benefit obligation (Note 14)	1,636.8	245.0
Other liabilities	5,770.2	1,765.5
Commitments and contingencies (Note 15)		
Minority interest	7,040.2	1,246.5
Stockholders' Equity:		
Class A Common Stock, par value \$.01 per share; 500.0 shares authorized; 138.9 (2000) and 139.7 (1999) shares issued	1.4	1.4
Class B Common Stock, par value \$.01 per share; 3,000.0 shares authorized; 1,454.7 (2000) and 606.6 (1999) shares issued	14.5	6.1
Additional paid-in capital	50,729.9	10,338.5
Retained earnings	1,431.8	2,247.9
Accumulated other comprehensive loss (Note 1)	(152.5)	(30.2)
	52,025.1	12,563.7
Less treasury stock, at cost; 1.4 (2000 and 1999) Class A shares and 96.3 (2000) and 47.1 (1999) Class B shares	4,058.2	1,431.7
Total stockholders' equity	47,966.9	11,132.0
Total Liabilities and Stockholders' Equity	\$82,646.1	\$24,486.4

See notes to consolidated financial statements.

VIACOM INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	Year Ended December 31, 2000	1999	1998
Operating Activities:			
Net earnings (loss)	\$ (816.1)	\$ 334.0	\$ (122.4)
Adjustments to reconcile net earnings (loss) to net cash flow from operating activities:			
Depreciation and amortization	2,223.5	844.7	777.3
Merger-related and restructuring charges	698.5	70.3	--
Cumulative effect of change in accounting principle	753.9	--	--
Loss (gain) on dispositions	25.6	(33.7)	(168.8)
Loss on redemption of debt, net of tax	--	37.7	126.6
Equity in loss of affiliated companies	124.2	60.7	41.4
Distribution from affiliated companies	48.3	26.4	17.9
Minority interest	70.4	.1	.7
Barter revenues	(125.2)	--	--
Amortization of deferred financing costs	17.9	15.4	16.1
Change in operating assets and liabilities:			
Decrease (increase) in receivables	(377.9)	61.7	135.6
Decrease (increase) in inventory and related program liabilities, net	(157.3)	(603.4)	367.1
Increase in other current assets	(172.2)	(49.4)	(119.7)
Decrease (increase) in unbilled receivables	(55.7)	(120.7)	105.0
Increase (decrease) in accounts payable and accrued expenses	(200.1)	(19.7)	192.6
Increase (decrease) in income taxes payable and net deferred taxes	166.9	(344.5)	(563.9)
Increase in deferred income	76.5	57.0	7.4
Other, net	22.1	(42.5)	51.2
Net cash flow provided by operating activities	2,323.3	294.1	864.1
Investing activities:			
Acquisitions, net of cash acquired	(2,380.0)	(312.4)	(126.4)
Capital expenditures	(659.0)	(706.2)	(603.5)
Investments in and advances to affiliated companies	(239.2)	(161.6)	(100.3)
Purchases of short-term investments	(89.9)	(416.2)	(151.6)
Proceeds from sale of short-term investments	307.4	406.3	101.4
Proceeds from dispositions	190.6	114.3	4,950.1
Proceeds from sale of cost investments	9.2	4.0	167.3
Other, net	--	(35.8)	(18.6)
Net cash flow provided by (used for) investing activities	(2,860.9)	(1,107.6)	4,218.4
Financing activities:			
Borrowings from (repayments to) banks, including commercial paper	1,413.4	2,184.8	(2,383.0)
Proceeds from issuance of senior notes and debentures	1,682.9	--	--
Purchase of treasury stock and warrants	(1,945.4)	(478.8)	(809.6)
Repayment of notes and debentures	(331.9)	(1,075.3)	(869.3)
Repurchase of Preferred Stock	--	(611.9)	(564.0)
Payment on capital lease obligations	(130.6)	(106.5)	(110.7)
Purchase of treasury stock by subsidiary	(84.1)	--	--
Net proceeds from issuance of subsidiary stock	--	430.7	--
Proceeds from exercise of stock options and warrants	187.0	390.8	182.8
Payment of Preferred Stock dividends	--	(7.8)	(64.8)
Other, net	--	1.0	11.1
Net cash flow provided by (used for) financing activities	791.3	727.0	(4,607.5)
Net increase (decrease) in cash and cash equivalents	253.7	(86.5)	475.0
Cash and cash equivalents at beginning of year	680.8	767.3	292.3
Cash and cash equivalents at end of year	\$ 934.5	\$ 680.8	\$ 767.3

See notes to consolidated financial statements.

VIACOM INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY AND
COMPREHENSIVE INCOME
(In millions)

	Year ended December 31,					
	2000		1999		1998	
	Shares	Amount	Shares	Amount	Shares	Amount
Convertible Preferred Stock:						
Balance, beginning of year	--	\$ --	12.0	\$ 600.0	24.0	\$ 1,200.0
Repurchase of Preferred Stock	--	--	(12.0)	(600.0)	(12.0)	(600.0)
Balance, end of year	--	--	--	--	12.0	600.0
Class A Common Stock:						
Balance, beginning of year	139.7	1.4	141.6	1.4	140.7	1.4
Exercise of stock options and warrants	--	--	--	--	.9	--
Conversion of A shares into B shares	(.8)	--	(1.9)	--	--	--
Balance, end of year	138.9	1.4	139.7	1.4	141.6	1.4
Class B Common Stock:						
Balance, beginning of year	606.6	6.1	591.9	5.9	581.1	5.8
Exercise of stock options and warrants	10.8	.1	12.8	.2	10.8	.1
Issuance of stock for CBS acquisition	836.5	8.3	--	--	--	--
Conversion of A shares into B shares	.8	--	1.9	--	--	--
Balance, end of year	1,454.7	14.5	606.6	6.1	591.9	5.9
Additional Paid-In Capital:						
Balance, beginning of year		10,338.5		10,574.7		10,329.5
Exercise of stock options and warrants, net of tax benefit		349.7		443.5		280.1
Loss on Blockbuster Offering		--		(662.1)		--
Warrants repurchased		--		(17.6)		(34.9)
Issuance of stock for CBS acquisition		39,641.7		--		--
Stock option acceleration attributable to CBS acquisition		400.0		--		--
Balance, end of year		50,729.9		10,338.5		10,574.7
Retained Earnings:						
Balance, beginning of year		2,247.9		1,932.9		2,089.0
Net earnings (loss)		(816.1)		334.0		(122.4)
Preferred Stock dividend requirement		--		(.4)		(57.2)
Discount (premium) on repurchase of Preferred Stock		--		(12.0)		30.0
Exercise of stock options		--		(6.6)		(6.5)
Balance, end of year		1,431.8		2,247.9		1,932.9
Accumulated Other Comprehensive Income (Loss):						
Balance, beginning of year		(30.2)		(67.1)		(12.6)
Other comprehensive income (loss)		(122.3)		36.9		(54.5)
Balance, end of year		(152.5)		(30.2)		(67.1)
Treasury Stock, at cost:						
Balance, beginning of						

year	48.5	(1,431.7)	38.5	(998.2)	13.0	(229.5)
Common Stock repurchased	34.2	(1,945.4)	10.6	(448.8)	26.2	(787.0)
Exercise of stock options (Class B)	--	--	(.6)	15.3	(.7)	18.3
Shares held in trust	15.0	(681.1)	--	--	--	--
<hr/>						
Balance, end of year	97.7	(4,058.2)	48.5	(1,431.7)	38.5	(998.2)
<hr/>						
Total Stockholders' Equity	\$47,966.9		\$11,132.0		\$12,049.6	
<hr/>						
Comprehensive Income (Loss):						
Net earnings (loss)	\$ (816.1)		\$ 334.0		\$ (122.4)	
<hr/>						
Other Comprehensive Income (Loss):						
Unrealized (loss) gain on securities	(92.8)		15.8		85.2	
Reclassification adjustment for realized (gains) losses, net of tax	45.3		(2.3)		(118.9)	
Cumulative translation adjustments	(71.4)		21.2		(19.0)	
Minimum pension liability adjustment	(3.4)		2.2		(1.8)	
<hr/>						
Total Other Comprehensive Income (Loss)	(122.3)		36.9		(54.5)	
<hr/>						
Total Comprehensive Income (Loss)	\$ (938.4)		\$ 370.9		\$ (176.9)	

See notes to consolidated financial statements.

VIACOM INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Tabular dollars in millions, except per share amounts)

1) DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation--Viacom Inc. ("Viacom" or the "Company") is a diversified company with operations in seven segments: (i) Cable Networks, (ii) Television, (iii) Infinity, (iv) Entertainment, (v) Video, (vi) Publishing and (vii) Online. On May 4, 2000, CBS Corporation ("CBS") merged with and into the Company and effective from this date, CBS' results of operations are included in the Company's consolidated results of operations (See Note 3). See Note 16 regarding the relative contribution to revenues and operating results from each of the reportable segments.

Use of Estimates--The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could subsequently differ from those estimates.

Principles of Consolidation--The consolidated financial statements include the accounts of the Company and investments of more than 50% in subsidiaries and other entities. Investments in affiliated companies over which the Company has a significant influence or ownership of more than 20% but less than or equal to 50% are accounted for under the equity method. Investments of 20% or less are accounted for under the cost method. All significant intercompany transactions have been eliminated.

Cash and Cash Equivalents--Cash and cash equivalents consist of cash on hand and short-term (three months or less) highly liquid investments. At December 31, 2000, certain restrictions existed on Infinity Broadcasting Corporation's ("Infinity Broadcasting") cash balance of \$143.0 million included as part of cash and cash equivalents of \$934.5 million in the consolidated balance sheet. Infinity Broadcasting's cash became available to the Company upon the merger with Infinity Broadcasting, effective February 21, 2001 (See Note 2).

Inventories--Inventories related to theatrical and television product (which includes direct production costs, production overhead and acquisition costs) are stated at the lower of amortized cost or net realizable value. Inventories are amortized, and estimated liabilities for residuals and participation are accrued, for an individual product based on the proportion that current estimated revenues bear to the estimated remaining total lifetime revenues. Estimates for initial domestic syndication and basic cable revenues are not included in the estimated lifetime revenues of network series until such sales are probable. These estimates are periodically reviewed. As a result of the adoption of Statement of Position 00-2, "Accounting by Producers or Distributors of Films," the costs of feature and television films are classified as non-current assets.

The Company estimates that approximately 95% of unamortized costs of completed and released films (excluding amounts allocated under purchase accounting) at December 31, 2000 will be amortized within the next three years. Approximately \$491 million of released, and completed and not released, film costs are expected to be amortized during the next twelve months. As of December 31, 2000, unamortized acquired film libraries of approximately \$546 million remain to be amortized on a straight-line basis over an average remaining life of 13 years.

Inventories related to base stock videocassettes (generally less than five copies per title for each store) are recorded at cost and a portion of these costs are amortized on an accelerated basis over three months, with the remaining base stock videocassette costs amortized on a straight-line basis over 33 months to an estimated \$4 salvage value. The cost of non-base stock videocassettes is amortized on an accelerated basis over three months to an estimated \$4 salvage value. Video games and base-stock DVDs are amortized on an accelerated basis over a 12 month period to an estimated \$10 and \$4 salvage value, respectively (See Note 6).

VIACOM INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)
(Tabular dollars in millions, except per share amounts)

Program Rights--The Company acquires rights to programming and produces programming to exhibit on its broadcast networks, cable networks and broadcast stations. The costs incurred in acquiring and producing programs are capitalized and amortized over the license period or projected useful life of the programming. Program rights and the related liabilities are recorded at the gross amount of the liabilities when the license period has begun, the cost of the program is determinable, and the program is accepted and available for airing.

Property and Equipment--Property and equipment is stated at cost. Depreciation is computed by the straight-line method over estimated useful lives as follows:

Buildings (including capital leases)	20 to 40 years
Leasehold improvements	4 to 15 years
Advertising structures	5 to 20 years
Equipment and other (including capital leases)	3 to 20 years

Depreciation expense, including capitalized lease amortization, was \$799.7 million (2000), \$496.8 million (1999) and \$441.8 million (1998). Amortization expense related to capital leases was \$77.8 million (2000), \$80.1 million (1999) and \$62.6 million (1998). Accumulated amortization of capital leases was \$296.6 million at December 31, 2000 and \$295.5 million at December 31, 1999.

Impairment of Long-Lived Assets--The Company assesses long-lived assets and certain identifiable intangibles for impairment whenever there is an indication that the carrying amount of the asset may not be recoverable. Recoverability of these assets is determined by comparing the forecasted undiscounted cash flows generated by those assets to their net carrying value. The amount of impairment loss, if any, will generally be measured by the difference between the net book value of the assets and the estimated fair value of the related assets.

Intangible Assets--Intangible assets, which primarily consist of the cost of acquired businesses in excess of the fair value of tangible assets and liabilities acquired ("goodwill") and FCC licenses, are generally amortized by the straight-line method over estimated useful lives of up to 40 years. The Company evaluates the amortization period of intangibles on an ongoing basis in light of changes in any business conditions, events or circumstances that may indicate the potential impairment of intangible assets. At December 31, 2000, approximately \$10.9 billion of intangible assets are attributable to FCC licenses. Accumulated amortization of intangible assets was \$3.4 billion at December 31, 2000 and \$1.9 billion at December 31, 1999.

Revenue Recognition--Subscriber fees for Cable Networks are recognized in the period the service is provided. Advertising revenues are recognized in the period during which spots are aired. Video segment revenues are recognized at the time of rental or sale. The Publishing segment recognizes revenue when merchandise is shipped. Revenues from the sale of outdoor advertising space are recognized ratably over the contract terms. Online advertising revenue is recognized ratably during the period in which the advertising is displayed and obligations are satisfied.

Revenues from films in the domestic and foreign theatrical markets are recognized as films are exhibited; revenues from the sale of videocassettes, discs and DVDs are recognized upon availability of sale to the public; and revenues from all television sources are recognized upon availability of the film for telecast. On average, the length of the initial revenue cycle for feature films approximates four to seven years.

Television series initially produced for the networks and first-run syndication are generally licensed to domestic and foreign markets concurrently. The more successful series are later syndicated in domestic markets and in certain foreign markets. The length of the revenue cycle for television series will vary depending on the number of seasons a series remains in active production. Revenues arising from television license agreements

VIACOM INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)
(Tabular dollars in millions, except per share amounts)

are recognized in the period that the films or television series are available for telecast and therefore may cause fluctuation in operating results.

Interest--Costs associated with the refinancing or issuance of debt, as well as with debt discount, are expensed as interest over the term of the related debt. The Company may enter into interest rate exchange agreements; the amount to be paid or received under such agreements would be accrued as interest rates change and recognized over the life of the agreements as an adjustment to interest expense. Amounts paid for purchased interest rate cap agreements would be amortized as interest expense over the term of the agreement.

Foreign Currency Translation and Transactions--The Company's foreign subsidiaries' assets and liabilities are translated at exchange rates in effect at the balance sheet date, while results of operations are translated at average exchange rates for the respective periods. The resulting translation gains or losses are included as a separate component of stockholders' equity in accumulated other comprehensive income. Foreign currency transaction gains and losses have been included in "Other items, net".

Subsidiary Stock Transactions--Gains or losses arising from issuances by a subsidiary of its own stock in a public offering are recorded within stockholders' equity.

Provision for Doubtful Accounts--The provision for doubtful accounts charged to expense was \$124.1 million (2000), \$33.5 million (1999) and \$29.5 million (1998).

Net Earnings (Loss) per Common Share--Basic earnings per share is based upon the net earnings applicable to common shares after preferred dividend requirements and divided by the weighted average number of common shares outstanding during the period. Diluted earnings per share reflects the effect of the assumed conversions of convertible securities and the exercise of stock options only in the periods in which such effect would have been dilutive.

The numerator used in the calculation of both basic and diluted EPS for each respective year reflects earnings (loss) from continuing operations less preferred stock dividends of \$.4 million for 1999 and \$57.2 million for 1998 plus the (premium) discount on preferred stock of (\$12) million for 1999 and \$30 million for 1998, respectively. For the years ended December 31, 2000 and December 31, 1998, incremental shares of 30.1 million and 9.5 million, respectively, for the assumed exercise of stock options were excluded from the computation of diluted EPS because their inclusion would have been anti-dilutive.

The table below presents a reconciliation of weighted average shares used in the calculation of basic and diluted EPS:

	2000	1999	1998
	-----	-----	-----
Weighted average shares for basic EPS	1,225.3	695.2	708.7
Plus incremental shares for stock options	--	14.3	--
	-----	-----	-----
Weighted average shares for diluted EPS	1,225.3	709.5	708.7
	=====	=====	=====

In the first quarter of 2001, the Company completed the acquisitions of Infinity Broadcasting and BET Holdings II, Inc. ("BET"). (See Note 2) These acquisitions resulted in the issuance of approximately 275.0 million shares of Viacom Class B Common Stock and approximately 10.9 million of Viacom options.

VIACOM INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)
(Tabular dollars in millions, except per share amounts)

Comprehensive Income (Loss)--The components of accumulated other comprehensive income (loss) were as follows:

	Unrealized Gain (Loss) on Securities	Cumulative Translation Adjustments	Minimum Pension Liability Adjustment	Accumulated Other Comprehensive Income (Loss)
At December 31, 1997	\$ 34.9	\$ (39.1)	\$ (8.4)	\$ (12.6)
Current period change	(33.7)	(19.0)	(1.8)	(54.5)
At December 31, 1998	1.2	(58.1)	(10.2)	(67.1)
Current period change	13.5	21.2	2.2	36.9
At December 31, 1999	14.7	(36.9)	(8.0)	(30.2)
Current period change	(47.5)	(71.4)	(3.4)	(122.3)
At December 31, 2000	\$(32.8)	\$(108.3)	\$(11.4)	\$(152.5)
	=====	=====	=====	=====

Reclassifications--Certain amounts reported for prior years have been reclassified to conform to the current year's presentation.

Change in Accounting--In June 2000, the Company elected early adoption of Statement of Position 00-2, "Accounting by Producers or Distributors of Films" ("SOP 00-2"). SOP 00-2 established new film accounting standards, including changes in revenue recognition and accounting for advertising, development and overhead costs. Under the new accounting standard, all exploitation costs such as advertising expenses, marketing costs and video duplication costs for theatrical and television product will be expensed as incurred, whereas under the old accounting standards, these costs were capitalized and amortized over the products' lifetime. As a result of this early adoption in the second quarter of 2000, the Company recorded a pre-tax non-cash charge of \$754 million (\$452 million after-tax or \$.37 per share). This charge has been reflected as a cumulative effect of a change in accounting principle, effective January 1, 2000, in the consolidated statement of operations for the year ended December 31, 2000. Under SOP 00-2 for the year ended December 31, 2000, the Company reported lower operating results of approximately \$77 million.

In June 2000, the Financial Accounting Standards Board ("FASB") issued Statement 139 ("SFAS 139") which rescinds FASB Statement 53 on financial reporting by motion picture film producers or distributors. SFAS 139 requires public companies to follow the guidance provided by SOP 00-2.

Recent Pronouncements--In June 1998, the FASB issued SFAS 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133"), effective for fiscal years beginning after June 15, 2000, as amended by Statements 137 and 138 in June 1999 and June 2000, respectively. These statements require companies to recognize all derivatives as either assets or liabilities on the balance sheet and measure those instruments at fair value. The statements also established new accounting rules for hedging instruments which, depending on the nature of the hedge, require that changes in the fair value of the derivatives either be offset against the change in fair value of assets, liabilities or firm commitments through earnings, or be recognized in other comprehensive income until the hedged item is recognized in earnings. The Company adopted SFAS 133, as amended, on January 1, 2001, which resulted in an immaterial impact on the Company's consolidated results of operations and financial position.

In December 1999, the Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin ("SAB") 101, "Revenue Recognition in Financial Statements" ("SAB 101"). SAB 101 summarizes certain of the SEC's staff's views in applying generally accepted accounting principles to revenue recognition in financial statements. During the fourth quarter of 2000, the Company adopted SAB 101 and accordingly, reclassified previously reported gross revenues in its Television and Entertainment segments to a net basis.

VIACOM INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)
(Tabular dollars in millions, except per share amounts)

2) SUBSEQUENT EVENTS

On February 21, 2001, the Company completed a merger with Infinity Broadcasting, acquiring all of the issued and outstanding shares of Infinity common stock that it did not already own, approximately 36%. Under the terms of the merger, which is tax free for the stockholders of Infinity and Viacom, each share of Infinity Class A common stock was converted into the right to receive 0.592 of a share of Viacom Class B Common Stock. The Infinity merger will be accounted for at historical cost, with the exception of minority interest, which will be accounted for under the purchase method of accounting. The total purchase price of approximately \$13.4 billion represents the issuance of approximately 232 million shares of Viacom Class B Common Stock and the fair value of Infinity stock options assumed by the Company.

On February 1, 2001, the Company initiated a share repurchase program to acquire up to \$2.0 billion in the Company's Class B Common Stock and through March 19, 2001, the Company had repurchased under this program 2.8 million shares of its Class B Common Stock for approximately \$141.5 million.

On January 23, 2001, the Company completed its acquisition of BET for approximately \$3 billion, which principally represents the issuance of approximately 43.4 million shares of Viacom Class B Common Stock and the assumption by the Company of approximately \$590 million in debt. Beginning in the first quarter of 2001, BET's results will be reported as part of the Cable Networks segment.

3) ACQUISITIONS

On May 4, 2000, CBS was merged with and into the Company (the "Merger"). The total purchase price of approximately \$39.8 billion included approximately \$37.7 billion for the issuance of 825.5 million shares of Viacom Class B Common Stock and 11,004 shares of Viacom Series C convertible preferred stock, which were subsequently converted into 11.0 million shares of Viacom Class B Common Stock and approximately \$1.9 billion for the fair value of CBS stock options assumed by the Company and transaction costs. In addition, Viacom assumed approximately \$3.7 billion of CBS debt.

The Merger was accounted for under the purchase method of accounting. CBS' results of operations are included in the Company's reported consolidated results of operations from the effective date of acquisition. The total cost to acquire CBS has been allocated based on the fair values of the assets acquired and liabilities assumed at the time of the Merger. The excess purchase price over the fair value of the tangible net assets acquired of approximately \$50 billion was allocated to intangibles and is being amortized on a straight-line basis not to exceed 40 years. The final allocation of the purchase price will be based on comprehensive final evaluations of the fair value of CBS' tangible and identifiable intangible assets acquired and liabilities assumed.

The Company presently holds television stations which reach approximately 41% of United States television households (as calculated for this purpose under rules and regulations of the Federal Communications Commission (the "FCC"), which apply a 50% discount to the reach of UHF stations). These stations reach approximately 6% in excess of the 35% limit permitted by FCC regulations. In connection with FCC approval of the Merger, the Company was given one year to come into compliance with the limit. The Company has challenged the rule in federal court and is seeking a stay of the requirement to come into compliance with the limit, pending judicial review of the national ownership cap. The Company was also provided with one year to come into compliance with the FCC's "dual network" rule, which prohibits the Company from owning and controlling both CBS and United Paramount Network ("UPN"). On June 20, 2000, the FCC released a Notice of Proposed Rule Making, in which it proposes to modify the dual network rule, the effect of which would be to permit the Company to own both CBS and UPN.

VIACOM INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)
(Tabular dollars in millions, except per share amounts)

On September 15, 2000, Infinity Broadcasting completed the acquisition of Memphis radio stations WMC-AM and WMC-FM from Raycom Media for approximately \$76 million.

On August 24, 2000, Infinity Broadcasting completed the acquisition of 18 radio stations from Clear Channel Communications, Inc. for \$1.4 billion in an asset transaction. These stations are located in San Diego, Phoenix, Denver, Cleveland, Cincinnati, Orlando and Greensboro--Winston-Salem.

On July 1, 2000, Infinity Broadcasting completed the acquisition of Waterman Broadcasting Corporation of Texas ("Waterman Broadcasting") in exchange for approximately 2.7 million shares of Infinity Broadcasting Class A common stock valued at approximately \$88 million. Waterman Broadcasting owns radio stations KTSA-AM and KTFM-FM in San Antonio, Texas.

During the second quarter of 2000, Infinity Broadcasting completed the acquisition of Giraudy, one of France's largest outdoor advertising companies, for approximately \$400 million. Infinity Broadcasting also acquired Societa Manifesti & Affissioni S.p.A., one of the leading Italian outdoor media sales companies, for approximately \$90 million.

On March 31, 2000, the Company acquired the remaining 50% interest in UPN that it did not already own. In the second quarter of 2000, the Company consolidated UPN's results of operations. Prior to this acquisition, the Company reported its proportionate share of net losses of UPN in "Equity in loss of affiliated companies, net of tax" in the Consolidated Statements of Operations.

The unaudited condensed pro forma results of operations data presented below assumes the Merger, pre-merger CBS acquisitions, and other acquisitions, including UPN and the acquisition of Infinity Broadcasting's Class A common stock, had occurred as of January 1, 1999. The unaudited condensed pro forma results of operations were prepared based upon the historical consolidated results of operations of the Company and CBS prior to the Merger, adjusted to exclude the non-recurring merger-related charges and to reflect the adoption of the change in accounting principle as of the beginning of each period presented (see Note 1). Financial results of CBS subsequent to the date of acquisition are included in the Company's financial statements. The pre-merger CBS acquisitions assumed to have been acquired January 1, 1999 are Infinity Outdoor, King World and two Texas television stations. The aggregate impact of other acquisitions was not material to consolidated results of operations.

Pro Forma Results of Operations Data (unaudited)

Year Ended December 31,	2000	1999
Revenues	\$23,359.1	\$21,695.2
Net loss before discontinued operations, extraordinary loss and cumulative effect of change in accounting principle	\$ (133.3)	\$ (427.3)
Net earnings (loss) attributable to common stock	\$ (583.3)	\$ 145.6
Basic and diluted earnings (loss) per common share:		
Net loss before discontinued operations, extraordinary loss and cumulative effect of change in accounting principle	\$ (.08)	\$ (.25)
Net earnings (loss)	\$ (.34)	\$.08

The pro forma financial information is presented for comparative purposes only and is not necessarily indicative of the operating results that actually would have occurred had the CBS, UPN, Infinity and other acquisitions been consummated on January 1, 1999. In addition, these results are not intended to be a projection of future results and do not reflect any synergies that might be achieved from the combined operations.

VIACOM INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)
(Tabular dollars in millions, except per share amounts)

4) MERGER-RELATED AND RESTRUCTURING CHARGES

In the second quarter of 2000, the Company recorded non-recurring merger-related charges of \$698 million (\$505 million after-tax or \$.41 per share) associated with the integration of Viacom and CBS and the acquisition of UPN (see Note 3). These amounts included non-cash charges of \$415 million principally attributable to compensation for stock options and \$283 million of cash payments and accrued liabilities for severance, transaction fees and integration costs. As of December 31, 2000, the Company had paid and charged approximately \$92 million for severance liabilities, \$27 million for transaction fees and \$6 million related to integration costs.

In connection with the integration of the operations of Spelling into Paramount Television, the Company recorded a charge of approximately \$81.1 million, of which \$70.3 million was recorded as a restructuring charge and \$10.8 million was recorded as part of depreciation expense in the third quarter of 1999. Included in the charge were severance and employee related costs of \$48.1 million, lease termination and other occupancy costs of \$17.7 million and other exit costs of \$4.5 million. Severance and other employee related costs represent the costs to terminate approximately 250 employees engaged in legal, sales, marketing, finance, information systems, technical support and human resources for Spelling. Lease termination and other occupancy costs principally represent the expenses associated with vacating existing lease obligations in New York and Los Angeles. The depreciation expense of approximately \$10.8 million was associated with the fixed asset write-offs for software, leasehold improvements and equipment located at these premises. As of December 31, 2000, the Company had paid and charged approximately \$43.6 million against the severance liability, \$11.3 million against lease termination and other occupancy costs and \$2.0 million against the other exit costs.

5) DISCONTINUED OPERATIONS

The Company presented its educational, professional and reference publishing businesses ("Non-Consumer Publishing") and its music retail stores as discontinued operations for the year ended December 31, 1998.

On November 27, 1998, the Company completed the sale of Non-Consumer Publishing for \$4.6 billion in cash. Viacom retained its consumer publishing operations, including the Simon & Schuster name. As a result of the sale, the Company recorded a net gain on the transaction of \$65.5 million.

On October 26, 1998, the Company completed the sale of its music retail stores to Wherehouse Entertainment, Inc. for \$115 million in cash and recorded a net loss on the transaction of \$138.5 million. The Company had previously closed the remaining music stores that were not part of the transaction.

Summarized financial data of discontinued operations are as follows:

For the Year ended December 31, 1998(1)(2)	Non-Consumer Publishing	Music	Total
Revenues	\$1,718.0	\$293.5	\$2,011.5
Loss from operations before income taxes	(15.2)	(20.9)	(36.1)
Benefit (provision) for income taxes	(26.0)	8.0	(18.0)
Net loss	(41.2)	(12.9)	(54.1)

(1) Results of operations reflect Non-Consumer Publishing for the period January 1 through November 26, 1998.

(2) Results of operations reflect the music retail stores for the period January 1 through August 10, 1998.

VIACOM INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)
(Tabular dollars in millions, except per share amounts)

The provision for income taxes of \$18.0 million for 1998 represents an effective tax rate of (49.9%). The differences between the effective tax rate and the statutory federal tax rate of 35% principally relate to certain non-deductible expenses, the allocation of non-deductible goodwill amortization, state and local taxes.

For the Year ended December 31, 1998

Net gain on dispositions, net of tax:	
Loss on sale of Music	\$(138.5)
Gain on sale of Non-Consumer Publishing	65.5
Additional reserves for Interactives' operating losses	(20.3)
Tax benefit for the sale of Virgin Interactive	134.0
Other	9.2

Net gain on dispositions, net of tax	\$ 49.9

Basic and diluted earnings (loss) per share for discontinued operations was \$(.01) for 1998.

6) BLOCKBUSTER CHANGE IN ACCOUNTING METHOD

Effective April 1, 1998, Blockbuster adopted an accelerated method of amortizing videocassette and game rental inventory. Blockbuster adopted this new method of amortization because it implemented a new business model, including revenue sharing agreements with Hollywood studios, which dramatically increased the number of videocassettes in the stores and is satisfying consumer demand over a shorter period of time. Revenue sharing allows Blockbuster to acquire videocassettes at a lower product cost than the traditional buying arrangements, with a percentage of the net rental revenues shared with the studios over a contractually determined period of time. As the new business model results in a greater proportion of rental revenue over a shorter period of time, Blockbuster changed its method of amortizing rental inventory in order to more closely match expenses in proportion with the anticipated revenues to be generated therefrom.

Pursuant to the new accounting method, the Company records base stock videocassettes (generally less than five copies per title for each store) at cost and amortizes a portion of these costs on an accelerated basis over three months, with the remaining base stock videocassette costs amortized on a straight-line basis over 33 months to an estimated \$4 salvage value. The cost of non-base stock videocassettes is amortized on an accelerated basis over three months to an estimated \$4 salvage value. Video games and base-stock DVDs are amortized on an accelerated basis over a 12-month period to an estimated \$10 and \$4 salvage value, respectively. Revenue sharing payments are expensed when revenues are earned pursuant to the applicable contractual arrangements.

The new method of accounting was applied to rental inventory held at April 1, 1998. The adoption of the new method of amortization was accounted for as a change in accounting estimate effected by a change in accounting principle. The Company recorded a pre-tax charge of \$436.7 million to operating expenses in the second quarter of 1998. Approximately \$424.3 million of the charge represented an adjustment to the carrying value of the rental tapes due to the new method of accounting and approximately \$12.4 million represented a write-down of retail inventory.

7) ACCOUNTS RECEIVABLE

As of December 31, 2000, the Company had an aggregate of \$550.0 million outstanding under revolving receivable securitization programs. Proceeds from the securitization programs were used to reduce outstanding borrowings.

VIACOM INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)
(Tabular dollars in millions, except per share amounts)

8) INVENTORY

At December 31,	2000	1999
Theatrical and television inventory:		
Theatrical:		
Released (including acquired film libraries)	\$ 365.6	\$ 798.7
Completed, not released	49.5	.8
In process and other	276.6	276.6
Television:		
Released (including acquired film libraries)	881.9	1,039.4
In process and other	151.5	135.0
Program rights	2,163.4	1,434.4
	3,888.5	3,684.9
Less current portion	985.9	1,515.0
	2,902.6	2,169.9
Merchandise inventory, including sell-through videocassettes	309.9	338.0
Videocassette rental inventory	631.6	569.5
Publishing, primarily finished goods	67.9	70.4
Other	137.0	126.2
	1,146.4	1,104.1
Less current portion	416.1	444.5
	730.3	659.6
Total Current Inventory	\$1,402.0	\$1,959.5
Total Non-Current Inventory	\$3,632.9	\$2,829.5

9) INVESTMENTS IN AFFILIATED COMPANIES

The Company accounts for its investments in affiliated companies over which the Company has significant influence or ownership of more than 20% but less than or equal to 50%, under the equity method. Such investments principally include but are not limited to the Company's interest in Comedy Central (50% owned), United Cinemas International (50% owned), Nickelodeon U.K. (50% owned), NOGGIN (50% owned), Middle East Channel (33% owned), WF Cinemas (50% owned), and several Internet-based companies with ownership interests ranging from 22%-50%. The equity Internet investments are comprised of MarketWatch.com, Inc.; Switchboard Incorporated; Hollywood Media Corp.; Office.com, Inc. and Content Commerce, L.P. Investments in affiliates are included as a component of other assets.

VIACOM INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)
(Tabular dollars in millions, except per share amounts)

The following is a summary of combined financial information that is based on information provided by the equity investees.

Year Ended December 31,	2000	1999	1998
Results of Operations Data:			
Revenues	\$2,465.0	\$1,995.4	\$1,898.3
Operating loss	(191.4)	(109.4)	(73.2)
Net loss	(254.9)	(154.9)	(115.4)

At December 31,	2000	1999
Financial Position:		
Current assets	\$1,025.7	\$ 851.9
Non-current assets	1,247.9	972.1
Current liabilities	786.1	811.3
Non-current liabilities	580.3	652.8
Equity	907.2	359.9

For Internet equity investments, a difference typically exists between the initial investment and the proportionate share in the underlying net assets of these companies. This difference is being amortized over a five-year period and as of December 31, 2000 the unamortized difference is \$127.5 million. The amortization expense of the Company's initial basis is presented as "Equity in loss of affiliated companies, net of tax" in the Consolidated Statements of Operations.

At December 31, 2000, the Company's equity investments included three publicly traded Internet-based companies: Hollywood Media Corp., MarketWatch.com, Inc. and Switchboard Incorporated. Based upon quoted market prices at December 31, 2000, the aggregate market value of such investments was approximately \$69.6 million.

At the date of acquisition, for equity investments in Internet-based companies, the Company typically records the investment at an amount equal to the cash consideration paid plus the fair value of the advertising and promotion time to be provided. The associated obligation to provide future advertising and promotion time is non-cash and is recorded as deferred revenue at an amount equal to the fair value of the advertising and promotion time to be provided. Any related deferred revenue balance is presented as deferred income and other liabilities in the Consolidated Balance Sheets. Deferred revenue is relieved and barter revenue is recognized as the related advertising and promotion time is delivered. Barter revenue of \$125.2 million has been recognized for the year ended December 31, 2000.

At December 31, 2000, the Company had \$126.7 million in cost investments that are included as a component of other assets. The 2000 mark-to-market adjustments in fair value for the publicly traded cost investments were \$33.7 million, net of tax, and were recorded as a decrease in other comprehensive income. The Company determined that some of its cost investments in Internet-based companies experienced an other than temporary decline in market value as of December 31, 2000, and accordingly, the Company recorded a non-cash write-down of such investments for approximately \$66.9 million in "Other items, net" in the Consolidated Statements of Operations.

The Company, through the normal course of business, is involved in transactions with affiliated companies that have not been material in any of the periods presented.

VIACOM INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)
(Tabular dollars in millions, except per share amounts)

10) BANK FINANCING AND DEBT

Long-term debt consists of the following:

At December 31,	2000	1999
Notes payable to banks, including commercial paper	\$ 5,735.5	\$3,054.2
5.875% Senior Notes* due 2000	--	149.9
7.50% Senior Notes* due 2002	249.6	249.1
7.625% Senior Notes due 2002	143.0	--
8.375% Senior Notes due 2002	201.4	--
6.75% Senior Notes due 2003	349.9	349.9
6.875% Senior Notes due 2003	274.9	--
10.50% Senior Debentures due 2004	67.8	--
7.15% Senior Exchange Notes due 2005	499.0	--
7.75% Senior Notes due 2005	966.9	966.0
7.70% Senior Notes due 2010	1,148.7	--
8.625% Senior Debentures due 2012	271.1	--
8.875% Senior Notes due 2014	101.9	--
7.625% Senior Debentures due 2016	198.9	198.9
8.25% Senior Debentures* due 2022	237.2	247.5
7.125% Senior Notes due 2023	52.2	--
7.50% Senior Debentures* due 2023	149.6	149.6
7.875% Senior Debentures due 2023	250.7	--
7.875% Senior Debentures due 2030	499.9	--
10.25% Senior Subordinated Notes* due 2001	35.3	35.3
9.00% Senior Subordinated Notes due 2006	63.1	--
9.375% Senior Subordinated Notes due 2006	189.6	--
8.875% Senior Subordinated Exchange Notes due 2007	376.4	--
11.375% Subordinated Exchange Debentures due 2009	39.4	--
Other notes	43.5	--
Obligations under capital leases	552.2	591.6
	12,697.7	5,992.0
Less current portion	223.9	294.3
	\$12,473.8	\$5,697.7

* Issues of Viacom International Inc. guaranteed by the Company.

The notes and debentures are presented net of an aggregate unamortized discount of \$21.4 million as of December 31, 2000 and \$10.1 million as of December 31, 1999.

As a result of the Merger, Viacom assumed approximately \$3.7 billion of CBS debt.

On March 28, 2000, the Viacom Credit Agreements were amended to allow for the merger of CBS with and into the Company. On April 17, 2000, the CBS credit agreement, which consisted of a \$1.5 billion revolving credit facility maturing August 29, 2001 and the Infinity credit agreement, which consisted of a \$1.5 billion revolving credit facility maturing August 29, 2001, were amended to allow for the merger of CBS with and into the Company. On May 3, 2000, Infinity Broadcasting entered into two new credit facilities, totaling \$1.95 billion, comprised of a \$1.45 billion 5-year revolving credit facility and a \$500 million 364-day revolving credit facility.

VIACOM INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)
(Tabular dollars in millions, except per share amounts)

Borrowing rates under the CBS and Infinity facilities are determined at the time of each borrowing and are based generally on a floating rate index, the London Interbank Offer Rate ("LIBOR"), plus a margin based on the respective senior unsecured debt rating.

On March 7, 2001, the Company cancelled all of the above-mentioned credit agreements other than the Infinity Broadcasting \$1.45 billion facility, and entered into two new credit facilities. These two new facilities total \$3.5 billion and are comprised of a \$1.5 billion 5-year revolving credit facility and a \$2.0 billion 364-day revolving credit facility. The Company also amended and restated the Infinity Broadcasting \$1.45 billion facility; the terms and conditions were substantially conformed to the new \$1.5 billion 5-year revolving credit facility and the Company was designated as the borrower. The primary purpose of the facilities is to support commercial paper borrowings. The Company, at its option, may borrow in certain foreign currencies up to specified limits under the new \$1.5 billion 5-year revolving credit facility. Borrowing rates under the facilities are determined at the time of each borrowing and are based generally on LIBOR plus a margin based on the Company's senior unsecured debt rating. At December 31, 2000, LIBOR for borrowing periods of one month and two months were 6.56% and 6.49%, respectively.

The new and amended facilities contain certain covenants which, among other things, require that the Company maintain a minimum interest coverage ratio. At December 31, 2000 the Company was in compliance with the financial covenants.

The Company pays a commitment fee based on the total amount of the loan commitments. As of March 7, 2001, the facilities totaled \$4.95 billion.

In March 2001, the Company increased its commercial paper program from \$4.0 billion to \$4.95 billion and Infinity Broadcasting cancelled its \$3.25 billion commercial paper program. Borrowings under the program have maturities of less than a year and are supported by unused committed bank facilities. At December 31, 2000, the Company had borrowings under the program of approximately \$1.7 billion and Infinity Broadcasting had borrowings under its commercial paper program of approximately \$2.1 billion.

On January 9, 2001, the Company issued, under Rule 144A, \$400 million of 6.40% unsecured senior notes due January 30, 2006, \$500 million of 7.70% unsecured senior notes due July 30, 2010, and \$750 million of 7.875% unsecured senior debentures due July 30, 2030; interest on the senior notes and debentures will be payable semi-annually. Proceeds from the debt issuance were used to repay bank debt, including commercial paper. During March 2001, these notes and debentures were exchanged for registered notes and debentures. The unsecured senior debentures and the unsecured senior notes due July 30, 2010 are redeemable at any time at their principal amount plus the applicable premium and accrued interest.

On August 1, 2000, the Company issued \$1.15 billion of 7.70% unsecured senior notes due July 30, 2010 and \$500 million of 7.875% unsecured senior debentures due July 30, 2030; interest on the senior notes and debentures will be payable semi-annually. Proceeds from the debt issuance were used to repay bank debt, including commercial paper. The senior notes and debentures are redeemable at any time at their principal amount plus the applicable premium and accrued interest.

On February 1, 2001, the Company redeemed all \$60.3 million outstanding of Infinity Broadcasting's 9% senior subordinated notes due 2006 at a redemption price equal to 104.5% of the principal amount. On December 1, 2000, the Company redeemed all \$105.3 million outstanding of Infinity Broadcasting's 9.75% senior subordinated notes due 2005 at a redemption price equal to 104.9% of the principal amount.

VIACOM INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)
(Tabular dollars in millions, except per share amounts)

During 1999, the Company redeemed the remaining \$211.8 million principal amount of its 8% merger debentures outstanding and recognized an extraordinary loss of \$37.4 million, net of tax, on the early redemption.

The Company has classified short-term indebtedness as long-term debt based upon its intent and ability to refinance such indebtedness on a long-term basis. The Company's scheduled maturities of long-term debt outstanding at December 31, 2000, excluding capital leases, are as follows:

	Year of Maturity				
	2001	2002	2003	2004	2005
Long-term debt	\$1,557.8	\$2,507.4	\$911.7	\$667.5	\$2,924.8

Blockbuster Credit Agreement

On June 21, 1999, Blockbuster entered into a \$1.9 billion unsecured credit agreement (the "Blockbuster Credit Agreement") with a syndicate of banks. The Blockbuster Credit Agreement was comprised of a \$700 million long-term revolver due July 1, 2004; a \$600 million term loan due in quarterly installments beginning April 1, 2002 and ending July 1, 2004; and a \$600 million short-term revolver, which was paid down during 2000. The repayment of the short-term revolver permanently reduced the borrowing capacity under the Blockbuster Credit Agreement from \$1.9 billion to \$1.3 billion. Interest rates under the Blockbuster Credit Agreement are based on the prime rate or LIBOR at Blockbuster's option at the time of the borrowing. A variable commitment fee based on the total leverage ratio is charged on the unused amount of the revolver (.25% at December 31, 2000).

The Blockbuster Credit Agreement contains certain restrictive covenants, which, among other things, relate to the payment of dividends, repurchase of Blockbuster's common stock or other distributions and also require compliance with certain financial covenants with respect to a maximum leverage ratio and a minimum fixed charge coverage ratio. At December 31, 2000, Blockbuster was in compliance with all financial covenants under the Blockbuster Credit Agreement.

On June 23, 1999, Blockbuster borrowed \$1.6 billion, comprised of \$400 million borrowed under the long-term revolver, \$600 million borrowed under the term loan, and \$600 million under the short-term revolver. The proceeds of the borrowings were used to pay amounts owed to Viacom. Blockbuster repaid \$442.9 million of the short-term revolver through proceeds from its initial public offering and repaid the remaining \$157.1 million of the short-term revolver during the year ended December 31, 2000. Blockbuster had \$278.0 million of available borrowing capacity under the long-term revolver at December 31, 2000. The weighted average interest rate at December 31, 2000 for these borrowings was 8.0%.

Blockbuster's scheduled maturities of long-term debt outstanding at December 31, 2000, excluding capital leases, are as follows:

	Year of Maturity				
	2001	2002	2003	2004	2005
Long-term debt	\$8.0	\$158.8	\$279.3	\$599.9	\$1.0

11) FINANCIAL INSTRUMENTS

The Company's carrying value of financial instruments approximates fair value, except for differences with respect to the notes and debentures and certain differences related to other financial instruments that are not significant. The carrying value of the senior debt and senior subordinated debt is \$6.4 billion and the fair value, which is estimated based on quoted market prices, is \$6.6 billion.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)
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The Company enters into interest rate exchange agreements with off-balance sheet risk in order to reduce its exposure to changes in interest on its variable rate long-term debt and/or take advantage of changes in interest rates. These interest rate exchange agreements include interest rate swaps and interest rate caps. At December 31, 2000, the Company had no interest rate exchange agreements outstanding with commercial banks.

The Company enters into foreign currency exchange contracts in order to reduce its exposure to changes in foreign currency exchange rates that affect the value of its firm commitments and certain anticipated foreign currency cash flows. These contracts generally mature within the calendar year. The Company does not enter into foreign currency contracts for speculative purposes. To date, the contracts utilized have been purchased options, spots and forward contracts. A spot or forward contract is an agreement between two parties to exchange a specified amount of foreign currency, at a specified exchange rate on a specified date. An option contract provides the right, but not the obligation, to buy or sell currency at a fixed exchange rate on a future date. In 2000 the foreign exchange contracts have principally been used to hedge the British Pound, the Australian Dollar, the Japanese Yen, the Canadian Dollar, the Singapore Dollar and the European Union's common currency (the "Euro"). At December 31, 2000, the Company had outstanding contracts with a notional value of approximately \$199 million that expire in 2001. Realized gains and losses on contracts that hedge anticipated future cash flows are recognized in "Other items, net" and were not material. Option premiums are expensed at the inception of the contract. Deferred gains and losses on foreign currency exchange contracts as of December 31, 2000 were not material.

The Company continually monitors its positions with, and credit quality of, the financial institutions which are counterparties to its financial instruments. Outstanding letters of credit totaled \$239 million at December 31, 2000. The Company is exposed to credit loss in the event of nonperformance by the counterparties to the agreements. However, the Company does not anticipate nonperformance by the counterparties. The Company's receivables do not represent significant concentrations of credit risk at December 31, 2000, due to the wide variety of customers, markets and geographic areas to which the Company's products and services are sold.

12) STOCKHOLDERS' EQUITY

During 2000, the Company repurchased 10,000 shares of its Class A Common Stock and 34.2 million shares of its Class B Common Stock for approximately \$1.95 billion in the aggregate. During 1999, the Company had repurchased a total of 25,000 shares of its Class A Common Stock, 10.6 million shares of its Class B Common Stock and 1.1 million Viacom Five-Year Warrants, for approximately \$466.4 million in the aggregate.

On July 7, 1999, the Viacom Five-Year Warrants expired. The Company received proceeds of approximately \$317 million and issued approximately 9.0 million shares of its Class B Common Stock in connection with the exercise of 4.5 million warrants issued as part of the 1994 acquisition of Paramount Communications.

On December 2, 1998, the Company repurchased 12 million shares of its convertible preferred stock from Bell Atlantic Corporation for \$564 million in cash. On January 5, 1999, the Company repurchased the remaining 12 million shares of its convertible preferred stock from Bell Atlantic Corporation for \$612 million in cash.

Long-Term Incentive Plans--The Company has four Long-Term Incentive Plans (the "Plans"): the Viacom Long-Term Management Incentive Plan (the "Viacom Plan"), the Blockbuster Long-Term Management Incentive Plan (the "Blockbuster Plan"), the Infinity Stock-Based Compensation Plans (the "Infinity Plan") and MTVi Long-Term Incentive Plan (the "MTVi Plan"). The Plans provide for the issuance of fixed grants of equity-based interests, which include stock options, stock appreciation rights, restricted shares, phantom shares and other equity-based interests.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)
(Tabular dollars in millions, except per share amounts)

The Company has adopted the disclosure-only provisions of SFAS 123, "Accounting for Stock-Based Compensation" ("SFAS 123"). In accordance with the provisions of SFAS 123, the Company applies APB 25 "Accounting for Stock Issued to Employees" and related interpretations in accounting for the Plans and accordingly, does not recognize compensation expense for any of the Plans because the Company typically does not issue options at exercise prices below the market value at date of grant. Had compensation expense for the Plans been determined based upon the fair value at the grant date for awards consistent with the methodology prescribed by SFAS 123, the Company's consolidated net earnings (loss) would have been \$(922.0) million or \$(0.75) per basic and diluted common share, \$263.2 million or \$0.38 per basic and \$0.37 per diluted common share, and \$(162.9) million or \$(0.23) per basic and diluted common share in 2000, 1999, and 1998 respectively. These pro forma effects may not be representative of future amounts since the estimated fair value of stock options on the date of grant is amortized to expense over the vesting period and additional options may be granted in future years.

Viacom Plan--The purpose of the Viacom Plan is to benefit and advance the interests of the Company by rewarding certain key employees for their contributions to the financial success of the Company and thereby motivating them to continue to make such contributions in the future. The Viacom Plan provides for fixed grants of equity-based interests pursuant to awards of phantom shares, stock options, stock appreciation rights, restricted shares or other equity-based interests ("Awards"), and for subsequent payments of cash with respect to phantom shares or stock appreciation rights based, subject to certain limits, on their appreciation in value over stated periods of time. The stock options generally vest over a four to six year period from the date of grant and expire 10 years after the date of grant. The Company has reserved a total of 14,038 shares of Viacom Inc. Class A Common Stock and 117,165,267 shares of Viacom Inc. Class B Common Stock for exercise of stock options.

During 2000, the total aggregate number of shares of Viacom Inc. Class B Common Stock that may be issued under the 1997 plan was increased by 5,000,000 shares. In the second quarter of 2000, the Viacom Inc. 2000 Long-Term Management Incentive Plan and 2000 Stock Option Plan for outside directors was adopted. An aggregate of 100,000,000 and 1,000,000 shares of Viacom Inc. Class B Common Stock may be issued under these plans, respectively. The stock options available for future grant under the Viacom Plans are as follows:

December 31, 1998	14,849,484
December 31, 1999	11,726,413
December 31, 2000	107,266,077

The weighted-average fair value of each option as of the grant date was \$27.39, \$19.89 and \$12.97 in 2000, 1999 and 1998, respectively. The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	2000	1999	1998
	-----	-----	-----
Expected dividend yield(a)	--	--	--
Expected stock price volatility	32.10%	29.64%	32.76%
Risk-free interest rate	6.56%	6.11%	5.43%
Expected life of options (years)	6.8	7.5	6.0

- - - - -
(a) The Company has not declared any cash dividends on its common stock for any of the periods presented and has no present intention of so doing.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)
(Tabular dollars in millions, except per share amounts)

The following table summarizes the Company's stock option activity under the Viacom Plans:

	Options Outstanding	Weighted-Average Exercise Price
	-----	-----
Balance at December 31, 1997	45,216,574	\$15.78
Granted	13,576,420	30.53
Exercised	(12,077,298)	16.16
Cancelled	(1,802,390)	16.97
	-----	-----
Balance at December 31, 1998	44,913,306	20.09
Granted	14,283,483	42.02
Exercised	(4,403,681)	17.19
Cancelled	(814,588)	18.59
	-----	-----
Balance at December 31, 1999	53,978,520	26.16
Granted	11,147,875	57.12
CBS stock options assumed	64,258,809	24.76
Exercised	(10,765,816)	17.42
Cancelled	(1,440,083)	39.63
	-----	-----
Balance at December 31, 2000	117,179,305	28.98
	=====	

The following table summarizes information concerning outstanding and exercisable stock options under the Viacom Plans at December 31, 2000:

	Outstanding			Exercisable	
		Remaining Contractual Life (Years)	Weighted- Average Exercise Price		Weighted-Average Exercise Price
Range of Exercise Price	Options			Options	
-----	-----	-----	-----	-----	-----
\$ 0 to 9.99	7,033,493	2.8	\$ 4.70	7,033,493	\$ 4.70
10 to 19.99	39,904,525	5.2	16.38	33,508,530	16.57
20 to 29.99	16,632,440	5.6	24.25	16,289,056	24.26
30 to 39.99	20,933,600	6.9	31.69	13,252,262	31.48
40 to 49.99	14,562,606	8.5	42.46	1,689,999	46.77
50 to 59.99	17,010,641	9.3	55.70	504,770	56.42
60 to 69.99	1,092,000	9.5	68.91	--	--
70 to 71.00	10,000	9.6	71.00	--	--
	-----			-----	
	117,179,305			72,278,110	
	=====			=====	

Shares issuable under exercisable stock options:

December 31, 1998	8,892,882
December 31, 1999	12,647,656
December 31, 2000	72,278,110

Blockbuster Plan

On July 15, 1999, Blockbuster's Board of Directors adopted the Blockbuster Plan for the benefit of its employees and directors. An aggregate of 25,000,000 shares of Blockbuster class A common stock is reserved

VIACOM INC. AND SUBSIDIARIES

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for issuance under the Blockbuster Plan, which provides for the issuance of stock-based incentive awards, including stock options to purchase shares of Blockbuster class A common stock, stock appreciation rights, restricted shares of Blockbuster class A common stock, restricted share units and phantom shares. Blockbuster stock options granted in 1999 generally vest over a five-year period from the date of grant and generally expire 10 years after the date of the grant and the Blockbuster Stock options granted in 2000 generally vest over a four-year period from the date of grant and generally expire 10 years after the date of the grant.

The weighted average fair value of each Blockbuster option as of the grant date was \$5.63 for 2000 and \$7.98 for 1999. The fair value of each Blockbuster option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	2000	1999
	----	----
Expected dividend yield(a)	1.0%	0.6%
Expected stock price volatility	45.0%	45.0%
Risk-free interest rate	6.1%	6.2%
Expected life of options (years)	7.0	7.0

(a) Blockbuster's current intention is to pay dividends of \$.02 per share each quarter on both its class A common stock and class B common stock.

The following table summarizes Blockbuster's stock option activity pursuant to the Blockbuster Plan:

	Options Outstanding	Weighted-Average Exercise Price
	-----	-----
Balance at December 31, 1998	--	\$ --
Granted	11,573,108	14.99
Exercised	--	--
Cancelled	(337,629)	15.00

Balance at December 31, 1999	11,235,479	14.99
Granted	4,695,235	11.04
Exercised	--	--
Cancelled	(2,235,173)	14.47

Balance at December 31, 2000	13,695,541	13.72
	=====	

The following table summarizes information concerning outstanding and exercisable Blockbuster stock options issued to Blockbuster employees and directors at December 31, 2000:

	Outstanding			Exercisable	
	-----			-----	
Range of Exercise Price	Options	Remaining Contractual Life (Years)	Weighted-Average Exercise Price	Options	Weighted-Average Exercise Price
-----	-----	-----	-----	-----	-----
\$11.00 13.50 to 15.00	4,349,665	9.6	\$11.00	--	\$ --
	9,345,876	8.7	14.99	1,923,326	14.99
	-----			-----	
	13,695,541			1,923,326	
	=====			=====	

Infinity Stock-Based Compensation Plans

Infinity had several stock-based compensation plans that provided for the granting of stock-based awards to officers or employees of Infinity, its parent and subsidiaries. Generally, Infinity stock option awards vest three

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years from the date of grant and expire ten years from the date of grant. At the time of the Merger, there were 16.6 million outstanding Infinity options with a weighted-average exercise price of \$23.49 per share. Infinity did not grant any additional options in 2000 subsequent to the Merger.

The following table summarizes information concerning outstanding and exercisable Infinity stock options at December 31, 2000:

Range of Exercise Price	Outstanding			Exercisable	
	Options	Remaining Contractual Life (Years)	Weighted-Average Exercise Price	Options	Weighted Average Exercise Price
\$ 0 to					
9.99	753,816	5.3	\$2.09	753,816	\$2.09
10 to					
19.99	924,279	7.3	13.47	924,279	13.47
20 to					
29.99	5,183,786	8.2	26.15	1,727,929	26.15
30 to					
36.19	6,295,751	9.2	34.22	--	--
	-----			-----	
	13,157,632			3,406,024	
	=====			=====	

In connection with the Company's merger with Infinity on February 2, 2001 (see Note 2), the Company converted approximately 12.9 million then-outstanding Infinity options into approximately 7.6 million options to acquire shares of the Company's Class B Common Stock with a weighted-average exercise price of \$52.01 per share.

MTVi Plan

MTVi, a subsidiary of the Company, operates the Company's Internet music business. In 1999, the Company established the MTVi Plan to benefit and advance the interests of the business by rewarding employees for their contributions to the financial success of MTVi and thereby motivating them to continue to make such contributions in the future. An aggregate of approximately 12 million shares of MTVi Class A common stock is reserved for issuance under the MTVi Plan. The MTVi stock options generally vest over a three to four year period from the date of grant and expire 10 years after the date of grant.

The weighted average fair value of each option as of the grant date was \$11.45 for 2000. The fair value of each MTVi option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the weighted-average assumptions of an expected stock price volatility of 97.6%, risk-free interest rate of 6.04% and expected life of 5 years.

At December 31, 2000, there were 4,214,700 outstanding stock options issued with an exercise price of \$15 under the MTVi Plan. All outstanding shares have a weighted remaining contractual life of 8.79 years and none of them are exercisable as of December 31, 2000.

13) INCOME TAXES

Earnings from continuing operations before income taxes are attributable to the following jurisdictions:

Year Ended			
December 31,	2000	1999	1998

United States	\$165.3	\$656.3	\$ 74.1
Foreign	395.3	187.6	63.2

Total	\$560.6	\$843.9	\$137.3

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Components of the provision for income taxes on earnings from continuing operations before income taxes are as follows:

Year Ended December 31,	2000	1999	1998
Current:			
Federal	\$553.1	\$167.4	\$151.0
State and local	209.8	21.3	34.9
Foreign	47.1	35.3	50.9
	810.0	224.0	236.8
Deferred	(80.2)	187.4	(98.1)
	\$729.8	\$411.4	\$138.7

The equity losses of affiliated companies are shown net of tax on the Company's Statements of Operations. The tax benefit relating to losses from equity investments in 2000, 1999 and 1998 are \$20.5 million, \$17.7 million and \$24.0 million, respectively, which represents an effective tax rate of 14.2%, 22.6% and 36.7%, respectively.

The cumulative effect of change in accounting principle is presented net of a tax benefit of \$301.6 million.

The difference between the effective tax rates and the statutory U.S. federal tax rate of 35% is principally due to the effect of non-deductible goodwill amortization, state and local taxes and foreign income taxed below statutory U.S. rates. In 2000 and 1999, respectively, \$218.8 million and \$58.8 million of income tax benefit was recorded as a component of stockholders' equity as a result of exercised stock options.

A reconciliation of the statutory U.S. federal tax rate to the Company's effective tax rate on earnings from continuing operations before income taxes is summarized as follows:

Year Ended December 31,	2000	1999	1998
Statutory U.S. federal tax rate	35.0%	35.0%	35.0%
Amortization of intangibles	81.1	15.7	86.3
State and local taxes, net of federal tax benefit	7.3	3.7	5.7
Effect of foreign operations	(17.7)	(9.3)	(35.5)
Merger-related costs and non-deductible expenses	19.5	--	--
Other, net	5.0	3.7	9.5
Effective tax rate on earnings from continuing operations before income taxes	130.2%	48.8%	101.0%

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The following is a summary of the components of the deferred tax accounts:

At December 31,	2000	1999
Deferred tax assets:		
Provision for expense and losses	\$ 1,854.5	\$436.6
Postretirement and other employee benefits	586.5	41.7
Tax credit and loss carryforwards	485.6	83.4
Total deferred tax assets	2,926.6	561.7
Valuation allowance	(172.1)	(96.0)
Net deferred tax assets	2,754.5	465.7
Deferred tax liabilities:		
Property, equipment and intangible assets	(2,522.0)	(55.9)
Lease portfolio	(422.2)	--
Other	(612.1)	--
Total deferred tax liabilities	(3,556.3)	(55.9)
Deferred income taxes, net liability	\$ (801.8)	\$409.8

At December 31, 2000 and 1999, the Company had a net current deferred tax asset of \$336.3 million and \$188.0 million, and net non-current deferred tax liability of \$1.1 billion and \$221.8 million, respectively.

At December 31, 2000, the Company had net operating loss carryforwards for federal, state and local and foreign jurisdiction of approximately \$437.8 million, which expire in various years from 2001 through 2019. In addition, the Company had alternative minimum tax credit carryforwards of \$203.2 million that have no expiration dates and foreign tax credit carryforwards of \$64.3 million that expire through 2004.

The 2000 and 1999 deferred tax assets are reduced by a valuation allowance of \$172.1 million and \$96.0 million, respectively, principally relating to tax benefits of net operating losses which are not expected to be recognized as a result of certain limitations applied where there is a change of ownership.

The Company's share of the undistributed earnings of foreign subsidiaries not included in its consolidated federal income tax return that could be subject to additional income taxes if remitted, was approximately \$1.6 billion and \$1.4 billion at December 31, 2000 and December 31, 1999, respectively. No provision has been recorded for the U.S. or foreign taxes that could result from the remittance of such undistributed earnings since the Company intends to reinvest these earnings outside the United States indefinitely and it is not practicable to estimate the amount of such taxes.

14) PENSION PLANS, OTHER POSTRETIREMENT BENEFITS AND POSTEMPLOYMENT BENEFITS

The Company and certain of its subsidiaries have non-contributory pension plans covering specific groups of employees. The benefits for these plans are based primarily on an employee's years of service and pay near retirement. Participant employees are vested in the plans after five years of service. The Company's policy for all pension plans is to fund amounts in accordance with the Employee Retirement Income Security Act of 1974. Plan assets consist principally of common stocks, marketable bonds and U.S. government securities. The Company's Class B Common Stock represents approximately 8.0% and 20.8% of the plan assets' fair value at December 31, 2000 and 1999, respectively.

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In addition, the Company sponsors a health and welfare plan that provides certain postretirement health care and life insurance benefits to retired employees and their covered dependents who are eligible for these benefits if they meet certain age and service requirements. The plan is contributory and contains cost-sharing features such as deductibles and coinsurance which are adjusted annually. The plan is not funded and the Company funds these benefits as claims are paid.

The significant changes in the components of the benefit obligation plan assets and the net periodic cost in 2000 were due primarily to the merger with CBS in May 2000.

The following table sets forth the change in benefit obligation for the Company's benefit plans:

At December 31,	Pension Benefits		Postretirement Benefits	
	2000	1999	2000	1999
Change in benefit obligation:				
Benefit obligation, beginning of year	\$ 795.2	\$ 844.2	\$ 51.1	\$53.6
Service cost	38.5	33.7	2.1	.7
Interest cost	278.9	61.5	59.3	3.7
Benefits paid	(356.5)	(45.2)	(79.6)	(5.7)
Actuarial (gain)	(14.8)	(147.9)	(1.2)	(1.6)
Business combinations	4,238.7	52.0	1,092.0	--
Participants' contributions	.5	--	2.9	.4
Amendments	1.5	.2	(6.4)	--
Cumulative translation adjustments	(3.0)	1.1	--	--
Special termination benefits	5.3	2.7	--	--
Curtailments	--	(7.1)	--	--
Benefit obligation, end of year	\$4,984.3	\$ 795.2	\$1,120.2	\$51.1

The following table sets forth the change in plan assets for the Company's benefit plans:

At December 31,	Pension Benefits		Postretirement Benefits	
	2000	1999	2000	1999
Change in plan assets:				
Fair value of plan assets, beginning of year	\$ 973.8	\$ 786.6	\$ --	\$ --
Actual return on plan assets	160.6	167.2	1.3	--
Employer contributions	34.8	6.0	75.7	5.3
Benefits paid	(356.5)	(45.2)	(79.6)	(5.7)
Business combinations	4,082.4	56.5	46.1	--
Participants' contributions	.5	--	2.9	.4
Cumulative translation adjustments	(4.4)	2.7	--	--
Fair value of plan assets, end of year	\$4,891.2	\$ 973.8	\$ 46.4	\$ --

For those pension plans with accumulated benefit obligations in excess of plan assets, the projected benefit obligations and accumulated benefit obligations were \$511.9 million and \$474.5 million, respectively, for 2000

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and \$103.4 million and \$92.6 million, respectively, for 1999. The fair value of such plan assets was \$4.7 million for 2000 and \$0 for 1999.

The accrued pension and postretirement costs recognized in the Company's consolidated balance sheet are computed as follows:

At December 31,	Pension Benefits		Postretirement Benefits	
	2000	1999	2000	1999
Funded status:	\$ (93.1)	\$ 178.6	\$(1,073.8)	\$(51.1)
Unrecognized actuarial (gain)	(192.4)	(336.8)	(16.2)	(17.1)
Unrecognized prior service cost (benefit)	10.4	10.9	(10.5)	(4.8)
Unrecognized asset at transition	(1.1)	(2.3)	--	--
Accrued pension liability, net	\$(276.2)	\$(149.6)	\$(1,100.5)	\$(73.0)
Amounts recognized in the Consolidated Balance Sheets:				
Accrued pension liability	\$(536.3)	\$(172.0)	\$(1,100.5)	\$(73.0)
Prepaid benefits cost	239.1	8.4	--	--
Intangibles	1.9	.5	--	--
Accumulated other comprehensive pre-tax loss	19.1	13.5	--	--
Net liability recognized	\$(276.2)	\$(149.6)	\$(1,100.5)	\$(73.0)

Net periodic cost for the Company's pension and postretirement benefit plans consists of the following:

At December 31,	Pension Benefits			Postretirement Benefits		
	2000	1999	1998	2000	1999	1998
Components of net periodic cost:						
Service cost	\$ 38.5	\$ 33.7	\$ 36.8	\$ 2.1	\$.7	\$ 1.0
Interest cost	278.9	61.5	57.8	59.3	3.7	6.5
Expected return on plan assets	(301.8)	(79.4)	(64.4)	(2.2)	--	--
Amortization of prior service cost	1.9	1.6	2.6	(.6)	(.7)	(3.0)
Amortization of transition obligation	(1.1)	(.2)	(2.2)	--	--	--
Recognized actuarial (gain) loss	(17.0)	1.1	3.7	(1.2)	(.7)	(2.9)
Curtailment (gain)	--	(7.1)	(31.4)	--	--	(77.5)
Special termination benefits	1.7	3.6	--	--	--	--
Net periodic cost	\$ 1.1	\$ 14.8	\$ 2.9	\$57.4	\$3.0	\$(75.9)

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The following weighted average assumptions were used in accounting for the pension plans:

	2000	1999	1998
Discount rate	7.71%	8.0%	6.75%
Expected return on plan assets	8.3%	9.5%	9.5%
Rate of increase in future compensation	5.0%	5.0%	5.0%

The following weighted average assumptions were used in accounting for postretirement benefits:

	2000	1999	1998
Discount rate	7.75%	8.0%	6.75%
Projected health care cost trend rate	8.0%	5.5%	6.0%
Ultimate trend rate	5.8%	5.5%	5.5%
Year ultimate trend rate is achieved	2008	1999	1999

Assumed health care cost trend rates could have a significant effect on the amounts reported for the postretirement health care plan. A one-percentage point change in assumed health care cost trend rates would have the following effects:

	One Percentage Point Increase	One Percentage Point Decrease
Effect on total of service and interest cost components	\$ 3.1	\$ (2.9)
Effect on the accumulated postretirement benefit obligation	\$39.1	\$(36.0)

In 1998, as a result of the sale of Non-Consumer Publishing, the Company realized curtailment gains of \$31.4 million related to pension benefits and \$77.5 million related to postretirement benefits, which have been included in the net gain on disposition for that year.

The Company contributes to multi-employer plans that provide pension and health and welfare benefits to certain employees under collective bargaining agreements. The contributions to these plans were \$32.3 million (2000) and \$26.1 million (1999).

In addition, the Company has defined contribution plans for the benefit of substantially all employees meeting certain eligibility requirements. Employer contributions to such plans were \$35.8 million, \$16.5 million and \$21.1 million for the years ended December 31, 2000, 1999 and 1998.

15) COMMITMENTS AND CONTINGENCIES

The Company has long-term noncancelable operating lease commitments for retail and office space and equipment, transponders, studio facilities and vehicles. The Company has also entered into capital leases for satellite transponders and buildings.

Infinity's outdoor advertising business has franchise rights entitling it to display advertising on such media as buses, taxis, trains, bus shelters, terminals, billboards, and phone kiosks. Under most of these franchise agreements, the franchiser is entitled to receive the greater of a percentage of the relevant advertising revenues, net of advertising agency fees, or a specified guaranteed minimum annual payment.

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At December 31, 2000, minimum rental payments under noncancelable leases and minimum franchise payments are as follows:

	Leases		
	Capital	Operating	Guaranteed Minimum Franchise Payments
2001	\$173.7	\$ 831.6	\$ 310.5
2002	175.3	691.5	280.1
2003	104.3	623.8	235.6
2004	67.5	500.4	219.8
2005	55.5	389.8	177.2
2006 and thereafter	109.7	1,978.9	311.1
Total minimum lease payments	686.0	\$5,016.0	\$1,534.3
Less amounts representing interest	133.8		
Present value of net minimum payments	\$552.2		

Future minimum capital lease payments have not been reduced by future minimum sublease rentals of \$17.9 million. Rent expense amounted to \$838.2 million (2000), \$601.7 million (1999) and \$533.8 million (1998).

The commitments of the Company for program license fees, estimated to aggregate approximately \$15.2 billion, are not reflected in the balance sheet as of December 31, 2000. These commitments include approximately \$10.8 billion for the acquisition of sports programming rights. A majority of such fees are payable over several years, as part of normal programming expenditures.

The Company, Blockbuster and Paramount Home Entertainment are among the defendants in a lawsuit filed on July 21, 1999 in the United States District Court for the Western District of Texas by one former and three present independent video retailers against the major motion picture studios and the Company. The plaintiffs, purporting to act as class representatives on behalf of themselves and all others similarly situated, allege that the Company and the studios conspired among themselves and with Blockbuster to restrain competition in the nationwide market for distribution of videocassettes for rental to the public in violation of federal and California law. Plaintiffs seek injunctive relief under federal law as well as triple the amount of the alleged actual damages to themselves and those similarly situated under California statutes. In January 2001, plaintiffs moved to withdraw their California state law claims from the federal lawsuit in Texas and filed a substantially similar complaint with approximately 200 additional named plaintiffs in Superior Court for the County of Los Angeles. This complaint also sought certification of a nationwide class of similarly situated plaintiffs. In March 2001, the Texas court denied the plaintiffs' motion for class certification of both the federal and the California state law claims in the federal action and denied the plaintiffs' motion to withdraw their California state law claims from that action. The Company believes that the plaintiffs' position in these litigations is without merit and intends to defend itself vigorously in the litigations.

The Company is a defendant in numerous lawsuits claiming various asbestos-related personal injuries, which allegedly occurred from use or inclusion of asbestos in certain products supplied by previously divested industrial business, generally in the pre-1970 time period. Typically, these lawsuits are brought against multiple defendants in state and Federal courts. The Company was neither a manufacturer nor a producer of asbestos. As of December 31, 2000, the Company had pending approximately 99,590 asbestos cases, excluding cases in various stages of settlement. The Company has brought suit against certain of its insurance carriers with respect

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to asbestos claims. Under the terms of a settlement agreement resulting from this suit, carriers that have agreed to the settlement are now reimbursing the Company for a substantial portion of its current costs and settlement associated with asbestos claims. The Company believes that it has meritorious defenses to asbestos matters, that where appropriate it has adequately provided for resolution of matters and that any ultimate liability resulting from asbestos matters is not likely to have a material adverse effect on its results of operations, financial position or cash flows.

The Company from time to time receives claims from federal and state environmental regulatory agencies and other entities asserting that it is or may be liable for environmental cleanup costs and related damages, principally relating to discontinued operations conducted by companies acquired by the Company. The Company's liabilities reflect management's best estimate of its environmental exposure. Such liability was not discounted or reduced by potential insurance recoveries and reflects management's estimate of cost sharing at multiparty sites. The estimated liability was calculated based upon currently available facts, existing technology and presently enacted laws and regulations. On the basis of its experience and the information currently available to it, the Company believes that the claims it has received will not have a material adverse effect on its results of operations, financial position or liquidity.

In addition to the above matters, the Company and various of its subsidiaries are parties to certain other legal proceedings. Litigation is inherently uncertain and always difficult to predict. However, based on its understanding and evaluation of the relevant facts and circumstances, the Company believes that these matters are not likely to have a material adverse effect on its results of operations, financial position or cash flows.

16) REPORTABLE SEGMENTS

The following tables set forth the Company's financial performance by reportable operating segment. As a result of the merger with CBS, the segment information reflects a new organizational structure. Prior period information for Viacom has been reclassified to conform to the new structure. Intersegment revenues are recorded at fair market value as if the sales were to third parties and are eliminated in consolidation. Intersegment revenues of the Entertainment segment for 2000, 1999 and 1998 were \$374.0 million, \$248.4 million and \$146.1 million, respectively. Residual costs of discontinued businesses primarily include pension and postretirement benefit costs for benefit plans retained by CBS for previously divested industrial businesses.

The Company evaluates performance based on many factors; one of the primary measures is EBITDA, defined as operating income before depreciation and amortization. The Company believes that EBITDA is an appropriate measure of evaluating the operating performance of its segments. However, EBITDA should be considered in addition to, not as a substitute for or superior to, operating income, net earnings, cash flows, and other measures of financial performance prepared in accordance with generally accepted accounting principles ("GAAP"). As EBITDA is not a measure of performance calculated in accordance with GAAP, this measure may not be comparable to similarly titled measures employed by other companies.

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Year ended December 31,	2000	1999	1998
Revenues:			
Cable Networks	\$ 3,895.0	\$ 3,045.5	\$ 2,607.9
Television	5,381.7	2,352.0	2,271.4
Infinity	2,764.7	--	--
Entertainment	2,758.3	2,665.9	2,914.3
Video	4,960.1	4,463.5	3,893.4
Publishing	596.0	610.7	564.6
Online	100.7	29.8	13.7
Intercompany eliminations	(412.8)	(308.6)	(169.2)
Total Revenues	\$20,043.7	\$12,858.8	\$12,096.1
EBITDA:			
Cable Networks	\$ 1,495.0	\$ 1,053.1	\$ 851.3
Television	979.5	271.5	372.9
Infinity	1,282.6	--	--
Entertainment	368.8	378.3	368.7
Video	534.8	520.3	39.9
Publishing	71.3	74.0	71.2
Online	(182.1)	(48.4)	(3.5)
Segment total	4,549.9	2,248.8	1,700.5
Reconciliation to Operating Income:			
Corporate expenses/eliminations	(928.0)	(156.8)	(171.6)
Residual costs of discontinued operations	(77.5)	--	--
Depreciation and amortization	(2,223.5)	(844.7)	(777.3)
Total Operating Income	\$ 1,320.9	\$ 1,247.3	\$ 751.6
Depreciation and Amortization:			
Cable Networks	\$ 245.0	\$ 120.7	\$ 107.0
Television	548.3	128.1	110.5
Infinity	693.2	--	--
Entertainment	159.1	147.2	133.2
Video	459.1	392.4	382.1
Publishing	21.7	19.7	18.0
Online	74.6	16.1	4.0
Segment total	2,201.0	824.2	754.8
Corporate	22.5	20.5	22.5
Total Depreciation and Amortization	\$ 2,223.5	\$ 844.7	\$ 777.3

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At December 31,	2000	1999	1998

Total Assets:			
Cable Networks	\$ 7,893.2	\$ 3,138.1	\$ 2,770.2
Television	25,177.2	4,744.2	4,577.4
Infinity	33,689.7	--	--
Entertainment	4,853.9	5,899.5	5,699.0
Video	8,385.1	8,475.6	8,142.6
Publishing	954.1	948.1	962.4
Online	425.2	162.1	5.8

Segment total	81,378.4	23,367.6	22,157.4
Corporate expenses/eliminations	1,267.7	1,118.8	1,455.7

Total Assets	\$82,646.1	\$24,486.4	\$23,613.1

Year Ended December 31,	2000	1999	1998

Capital Expenditures:			
Cable Networks	\$ 120.5	\$ 83.4	\$ 89.8
Television	100.1	51.3	60.6
Infinity	72.0	--	--
Entertainment	87.9	134.3	174.7
Video	212.1	384.9	196.0
Publishing	6.0	8.7	37.5
Online	53.6	22.8	--

Segment total	652.2	685.4	558.6
Corporate	6.8	20.8	44.9

Total Capital Expenditures	\$ 659.0	\$ 706.2	\$ 603.5

Information regarding the Company's operations by geographic area is as follows:

Year Ended December 31,	2000	1999	1998

Revenues(a):			
United States	\$16,428.3	\$10,207.0	\$ 9,268.3
International	3,615.4	2,651.8	2,827.8

Total Revenues	\$20,043.7	\$12,858.8	\$12,096.1

Long-lived Assets:			
United States	\$71,979.5	\$17,675.6	\$16,857.0
International	2,834.2	1,401.3	1,326.9

Total Long-lived Assets	\$74,813.7	\$19,076.9	\$18,183.9

Intercompany transfers between geographic areas are not significant.

(a) Revenue classifications are based on customers' locations.

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(Tabular dollars in millions, except per share amounts)

17) OTHER ITEMS, NET

In 2000, "Other items, net" of \$8.8 million principally reflects foreign exchange gains of \$31.7 million and gains on the sale of assets of approximately \$78.7 million which were mostly offset by the write down of several internet cost investments to their fair market value for approximately \$66.9 million and losses associated with securitizing trade receivables. In 1999, "Other items, net" of \$17.8 million principally reflects a \$25.2 million foreign exchange gain and net gain of \$17.1 million from the sale of land, property and equipment, partially offset by losses associated with securitizing trade receivables. In 1998, "Other items, net" of (\$15.3) million reflects a loss of approximately \$91 million associated with the closing of the Viacom Entertainment Store, losses associated with foreign exchange and securitizing trade receivables, partially offset by a gain of approximately \$118.9 million from the sale of a cost investment.

18) EXTRAORDINARY LOSS

For the year ended December 31, 1999, the Company recognized an extraordinary loss of \$37.7 million, net of tax of \$26.2 million, or a loss of \$.06 per basic and diluted common share, on the early extinguishment of the 8.0% merger debentures and the 10.25% senior subordinated notes.

For the year ended December 31, 1998, the Company recognized an extraordinary loss of \$74.7 million, net of tax of \$51.9 million, or a loss of \$.10 per basic and diluted common share, on the early extinguishment of the 10.25% senior subordinated notes for \$163.7 million, 7.0% senior subordinated debentures for \$231.5 million and the 8.0% merger debentures for \$555.6 million.

19) SUPPLEMENTAL CASH FLOW INFORMATION

Year Ended December 31,	2000	1999	1998
Cash payments for interest, net of amounts capitalized	\$ 651.4	\$ 445.6	\$ 668.2
Cash payments for income taxes	\$ 61.2	\$ 615.8	\$ 656.6
Supplemental schedule of non-cash financing and investing activities:			
Equipment acquired under capitalized leases	\$ 72.9	\$ 223.4	\$ 116.8
Fair value of assets acquired	\$ 61,910.3	\$ 463.2	\$ 138.2
Fair value of liabilities assumed	(14,849.3)	(.8)	(11.8)
Minority interest in net assets acquired	(5,712.1)	(150.0)	--
Cash paid, net of cash acquired	(2,380.0)	(312.4)	(126.4)
Impact on stockholders' equity	\$ 38,968.9	\$ --	\$ --

VIACOM INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)
(Tabular dollars in millions, except per share amounts)

20) QUARTERLY FINANCIAL DATA (unaudited):

	First Quarter	Second Quarter(1)	Third Quarter(1)	Fourth Quarter(1)	Total Year(1)
2000					
Revenues(2)	\$3,025.8	\$4,850.9	\$5,810.8	\$6,356.2	\$20,043.7
Operating income (loss)(3)(4)	\$ 240.4	\$ (278.2)	\$ 759.9	\$ 598.8	\$ 1,320.9
Earnings (loss) from continuing operations(4)	\$ 68.0	\$ (495.6)	\$ 33.4	\$ 30.4	\$ (363.8)
Net earnings (loss)(4)	\$ (384.3)	\$ (495.6)	\$ 33.4	\$ 30.4	\$ (816.1)
Net earnings (loss) attributable to common stock(4)	\$ (384.3)	\$ (495.6)	\$ 33.4	\$ 30.4	\$ (816.1)
Basic earnings per common share:					
Earnings (loss) from continuing operations	\$.10	\$ (.41)	\$.02	\$.02	\$ (.30)
Net earnings (loss)	\$ (.55)	\$ (.41)	\$.02	\$.02	\$ (.67)
Diluted earnings per common share:					
Earnings (loss) from continuing operations	\$.10	\$ (.41)	\$.02	\$.02	\$ (.30)
Net earnings (loss)	\$ (.54)	\$ (.41)	\$.02	\$.02	\$ (.67)
Weighted average number of common shares:					
Basic	694.8	1,207.6	1,503.7	1,498.2	1,225.3
Diluted	711.5	1,207.6	1,544.5	1,531.1	1,225.3
1999					
Revenues	\$2,951.1	\$3,003.3	\$3,332.0	\$3,572.4	\$12,858.8
Operating income(5)	\$ 277.5	\$ 282.3	\$ 321.2	\$ 366.3	\$ 1,247.3
Earnings from continuing operations	\$ 68.4	\$ 59.3	\$ 110.9	\$ 133.1	\$ 371.7
Net earnings(6)	\$ 44.9	\$ 59.3	\$ 96.7	\$ 133.1	\$ 334.0
Net earnings attributable to common stock	\$ 32.5	\$ 59.3	\$ 96.7	\$ 133.1	\$ 321.6
Basic earnings per common share:					
Earnings from continuing operations	\$.08	\$.09	\$.16	\$.19	\$.52
Net earnings	\$.05	\$.09	\$.14	\$.19	\$.46
Diluted earnings per common share:					
Earnings from continuing operations	\$.08	\$.08	\$.16	\$.19	\$.51
Net earnings	\$.05	\$.08	\$.14	\$.19	\$.45
Weighted average number of common shares:					
Basic	696.1	690.6	696.7	697.4	695.2
Diluted	711.1	705.0	709.5	712.1	709.5

- (1) Includes financial information for CBS from the date of its merger with and into Viacom on May 4, 2000. Accordingly, operating results are not necessarily comparable on a year-to-year basis.
- (2) Revenues have been restated based on the guidelines set forth in SAB 101, "Revenue Recognition in Financial Statements".
- (3) The second quarter of 2000 included merger-related charges of \$698 million (\$505 million after-tax) related to the merger with CBS and the acquisition of the remaining 50% interest in UPN that the Company did not already own.
- (4) The first quarter of 2000 included an after-tax charge of \$452.3 million related to the Company's early adoption of SOP 00-2. This charge was reflected as a cumulative effect of a change in accounting principle, effective January 1, 2000. Under SOP 00-2, for the three months ended March 31, 2000, the Company recognized additional operating expenses of \$14.6 million (\$8.0 million after-tax).
- (5) The third quarter of 1999 included a \$81.1 million charge for integrating the operations of Spelling into Paramount Television.
- (6) The first and third quarter of 1999 included an extraordinary loss of \$23.5 million and \$14.2 million, net of tax, respectively, on the early extinguishment of debt (See Note 18).

VIACOM INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)
(Tabular dollars in millions, except per share amounts)

21) CONDENSED CONSOLIDATING FINANCIAL STATEMENTS

Viacom International is a wholly owned subsidiary of the Company. The Company has fully and unconditionally guaranteed Viacom International debt securities (See Note 10). The Company has determined that separate financial statements and other disclosures concerning Viacom International are not material to investors. The following condensed consolidating financial statements present the results of operations, financial position and cash flows of the Company, Viacom International, the direct and indirect Non-Guarantor Affiliates of the Company, and the eliminations necessary to arrive at the information for the Company on a consolidated basis.

	Year Ended December 31, 2000				
	Viacom Inc.	Viacom International	Non-Guarantor Affiliates	Eliminations	Viacom Inc. Consolidated
Revenues	\$ 271.7	\$2,520.2	\$17,264.4	\$(12.6)	\$20,043.7
Expenses:					
Operating	107.4	813.5	10,766.2	20.0	11,707.1
Selling, general and administrative	122.5	892.6	3,078.6	--	4,093.7
Merger-related charges	--	650.0	48.5	--	698.5
Depreciation and amortization	14.6	149.6	2,059.3	--	2,223.5
Total expenses	244.5	2,505.7	15,952.6	20.0	18,722.8
Operating income	27.2	14.5	1,311.8	(32.6)	1,320.9
Other income (expense):					
Interest income					
(expense), net	(598.9)	67.4	(237.6)	--	(769.1)
Other items, net	(19.4)	26.7	1.5	--	8.8
Earnings (loss) before income taxes	(591.1)	108.6	1,075.7	(32.6)	560.6
Benefit (provision) for income taxes	236.5	(154.6)	(811.7)	--	(729.8)
Equity in loss of affiliated companies, net of tax	(461.5)	(463.0)	(158.2)	958.5	(124.2)
Minority interest, net of tax	--	20.1	(90.5)	--	(70.4)
Net loss before cumulative effect of change in accounting principle	(816.1)	(488.9)	15.3	925.9	(363.8)
Cumulative effect of change in accounting principle, net of tax	--	--	(452.3)	--	(452.3)
Net loss	\$(816.1)	\$ (488.9)	\$ (437.0)	\$925.9	\$ (816.1)

VIACOM INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)
(Tabular dollars in millions, except per share amounts)

	Year Ended December 31, 1999				
	Viacom Inc.	Viacom International	Non- Guarantor Affiliates	Eliminations	Viacom Inc. Consolidated
Revenues	\$ 35.4	\$2,164.6	\$10,709.5	\$ (50.7)	\$12,858.8
Expenses:					
Operating	30.5	706.3	7,680.8	(79.7)	8,337.9
Selling, general and administrative	3.0	783.2	1,572.4	--	2,358.6
Restructuring charge	--	--	70.3	--	70.3
Depreciation and amortization	4.6	105.4	734.7	--	844.7
Total expenses	38.1	1,594.9	10,058.2	(79.7)	11,611.5
Operating income (loss)	(2.7)	569.7	651.3	29.0	1,247.3
Other income (expense):					
Interest income					
(expense), net	(361.3)	77.4	(137.3)	--	(421.2)
Other items, net	(24.8)	28.0	14.6	--	17.8
Earnings (loss) before income taxes	(388.8)	675.1	528.6	29.0	843.9
Benefit (provision) for income taxes	159.5	(276.8)	(294.1)	--	(411.4)
Equity in earnings (loss) of affiliated companies, net of tax	600.7	199.9	(82.1)	(779.2)	(60.7)
Minority interest, net of tax	--	2.8	(2.9)	--	(.1)
Earnings before extraordinary loss	371.4	601.0	149.5	(750.2)	371.7
Extraordinary loss, net of tax	(37.4)	(.3)	--	--	(37.7)
Net earnings	334.0	600.7	149.5	(750.2)	334.0
Cumulative convertible preferred stock dividend requirement	(.4)	--	--	--	(.4)
Premium on repurchase of preferred stock	(12.0)	--	--	--	(12.0)
Net earnings attributable to common stock	\$ 321.6	\$ 600.7	\$ 149.5	\$(750.2)	\$ 321.6

VIACOM INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)
(Tabular dollars in millions, except per share amounts)

	Year Ended December 31, 1998				
	Viacom Inc.	Viacom International	Non- Guarantor Affiliates	Eliminations	Viacom Inc. Consolidated
Revenues	\$ 39.4	\$1,775.3	\$10,301.9	\$(20.5)	\$12,096.1
Expenses:					
Operating	33.3	563.7	7,929.8	(20.5)	8,506.3
Selling, general and administrative	2.6	650.6	1,407.7	--	2,060.9
Depreciation and amortization	2.1	87.0	688.2	--	777.3
Total expenses	38.0	1,301.3	10,025.7	(20.5)	11,344.5
Operating income	1.4	474.0	276.2	--	751.6
Other income (expense):					
Interest expense, net	(516.0)	(34.0)	(49.0)	--	(599.0)
Other items, net	(21.2)	89.0	(83.1)	--	(15.3)
Earnings (loss) from continuing operations before income taxes	(535.8)	529.0	144.1	--	137.3
Benefit (provision) for income taxes	219.7	(216.9)	(141.5)	--	(138.7)
Equity in earnings (loss) of affiliated companies, net of tax	236.9	(236.3)	(54.0)	12.0	(41.4)
Minority interest, net of tax	--	1.3	(2.0)	--	(.7)
Earnings (loss) from continuing operations	(79.2)	77.1	(53.4)	12.0	(43.5)
Discontinued operations:					
Loss, net of tax	--	--	(54.1)	--	(54.1)
Net gain (loss) on dispositions, net of tax	--	191.2	(141.3)	--	49.9
Net earnings (loss) before extraordinary loss	(79.2)	268.3	(248.8)	12.0	(47.7)
Extraordinary loss, net of tax	(43.2)	(31.5)	--	--	(74.7)
Net earnings (loss)	(122.4)	236.8	(248.8)	12.0	(122.4)
Cumulative convertible preferred stock dividend requirement	(57.2)	--	--	--	(57.2)
Discount on repurchase of preferred stock	30.0	--	--	--	30.0
Net earnings (loss) attributable to common stock	\$(149.6)	\$ 236.8	\$ (248.8)	\$ 12.0	\$ (149.6)

VIACOM INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)
(Tabular dollars in millions, except per share amounts)

At December 31, 2000

	Viacom Inc.	Viacom International	Non- Guarantor Affiliates	Eliminations	Viacom Inc. Consolidated
Assets					
Cash and cash equivalents	\$ 192.8	\$ 326.5	\$ 415.2	\$ --	\$ 934.5
Receivables, net	89.3	456.0	3,661.3	(242.5)	3,964.1
Inventory	11.3	259.9	1,130.8	--	1,402.0
Other current assets	355.1	425.5	789.3	(38.1)	1,531.8
Total current assets	648.5	1,467.9	5,996.6	(280.6)	7,832.4
Property and equipment	170.0	744.8	8,070.9	--	8,985.7
Less accumulated depreciation and amortization	14.2	319.9	2,049.8	--	2,383.9
Net property and equipment	155.8	424.9	6,021.1	--	6,601.8
Inventory	--	518.6	3,132.1	(17.8)	3,632.9
Intangibles, at amortized cost	264.9	636.4	61,102.8	--	62,004.1
Investments in consolidated subsidiaries	49,331.0	14,898.9	--	(64,229.9)	--
Other assets	198.2	695.1	1,813.0	(131.4)	2,574.9
Total Assets	\$50,598.4	\$18,641.8	\$78,065.6	\$(64,659.7)	\$82,646.1
Liabilities and Stockholders' Equity					
Accounts payable	\$ --	\$ 35.2	\$ 1,332.3	\$ (106.4)	\$ 1,261.1
Accrued expenses and other	312.3	1,515.5	3,379.3	(154.2)	5,052.9
Accrued participations	--	--	1,234.5	(14.2)	1,220.3
Current portion of long-term debt	--	10.8	213.1	--	223.9
Total current liabilities	312.3	1,561.5	6,159.2	(274.8)	7,758.2
Long-term debt	7,194.1	858.2	4,613.2	(191.7)	12,473.8
Other liabilities	(9,118.5)	3,588.9	5,908.2	7,028.4	7,407.0
Minority interest	--	158.9	6,881.3	--	7,040.2
Stockholders' equity:					
Preferred Stock	--	106.1	20.4	(126.5)	--
Common Stock	15.9	185.7	508.8	(694.5)	15.9
Additional paid-in capital	50,729.9	7,253.4	54,621.6	(61,875.0)	50,729.9
Retained earnings	5,523.0	4,931.1	(496.5)	(8,525.8)	1,431.8
Accumulated other comprehensive income (loss)	(.1)	(2.0)	(150.6)	.2	(152.5)
	56,268.7	12,474.3	54,503.7	(71,221.6)	52,025.1
Less treasury stock, at cost	4,058.2	--	--	--	4,058.2
Total stockholders' equity	52,210.5	12,474.3	54,503.7	(71,221.6)	47,966.9
Total Liabilities and Stockholders' Equity	\$50,598.4	\$18,641.8	\$78,065.6	\$(64,659.7)	\$82,646.1

VIACOM INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)
(Tabular dollars in millions, except per share amounts)

At December 31, 1999

	Viacom Inc.	Viacom International	Non-Guarantor Affiliates	Eliminations	Viacom Inc. Consolidated
Assets					
Cash and cash equivalents	\$ 81.6	\$ 486.0	\$ 113.2	\$ --	\$ 680.8
Receivables, net	10.9	340.4	1,441.7	(95.6)	1,697.4
Inventory	10.9	250.4	1,698.2	--	1,959.5
Other current assets	2.8	172.6	685.3	--	860.7
Total current assets	106.2	1,249.4	3,938.4	(95.6)	5,198.4
Property and equipment	13.4	684.5	4,558.0	--	5,255.9
Less accumulated depreciation and amortization	3.8	242.6	1,584.2	--	1,830.6
Net property and equipment	9.6	441.9	2,973.8	--	3,425.3
Inventory	--	365.2	2,464.3	--	2,829.5
Intangibles, at amortized cost	106.4	647.1	10,725.4	--	11,478.9
Investments in consolidated subsidiaries	6,829.2	14,891.0	--	(21,720.2)	--
Other assets	58.0	204.7	1,411.0	(119.4)	1,554.3
Total Assets	\$ 7,109.4	\$17,799.3	\$21,512.9	\$(21,935.2)	\$24,486.4
Liabilities and Stockholders' Equity					
Accounts payable	\$.1	\$ 9.0	\$ 578.6	\$ (43.3)	\$ 544.4
Accrued expenses and other	15.3	1,637.3	1,441.6	(620.4)	2,473.8
Accrued participations	--	--	1,109.1	(21.9)	1,087.2
Current portion of long-term debt	--	17.7	276.6	--	294.3
Total current liabilities	15.4	1,664.0	3,405.9	(685.6)	4,399.7
Long-term debt	3,262.1	1,013.4	1,422.2	--	5,697.7
Other liabilities	(11,421.6)	1,889.6	7,339.9	4,202.6	2,010.5
Minority interest	--	144.4	1,102.1	--	1,246.5
Stockholders' equity:					
Preferred Stock	--	104.1	20.4	(124.5)	--
Common Stock	7.5	185.7	495.4	(681.1)	7.5
Additional paid-in capital	10,338.5	7,342.3	7,739.4	(15,081.7)	10,338.5
Retained earnings	6,339.2	5,422.7	50.9	(9,564.9)	2,247.9
Accumulated other comprehensive income (loss)	--	33.1	(63.3)	--	(30.2)
	16,685.2	13,087.9	8,242.8	(25,452.2)	12,563.7
Less treasury stock, at cost	1,431.7	--	--	--	1,431.7
Total stockholders' equity	15,253.5	13,087.9	8,242.8	(25,452.2)	11,132.0
Total Liabilities and Stockholders' Equity	\$ 7,109.4	\$17,799.3	\$21,512.9	\$(21,935.2)	\$24,486.4

VIACOM INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)
(Tabular dollars in millions, except per share amounts)

	Year Ended December 31, 2000				
	Viacom Inc.	Viacom International	Non- Guarantor Affiliates	Eliminations	Viacom Inc. Consolidated
Net cash flow provided by (used for) operating activities	\$ (654.1)	\$ 830.5	\$ 2,146.9	\$--	\$ 2,323.3
Investing Activities:					
Acquisitions, net of cash acquired	--	--	(2,380.0)	--	(2,380.0)
Capital expenditures	(1.5)	(126.3)	(531.2)	--	(659.0)
Investments in and advances to affiliated companies	(7.3)	(57.9)	(174.0)	--	(239.2)
Purchases of short-term investments	--	(89.9)	--	--	(89.9)
Proceeds from sale of short-term investments	--	72.9	234.5	--	307.4
Proceeds from dispositions	--	--	190.6	--	190.6
Proceeds from sale of cost investments	--	9.2	--	--	9.2
Net cash flow used for investing activities	(8.8)	(192.0)	(2,660.1)	--	(2,860.9)
Financing Activities:					
Borrowings (repayments) of credit agreements, net	469.7	(96.2)	1,039.9	--	1,413.4
Increase (decrease) in intercompany payables	456.3	(530.3)	74.0	--	--
Proceeds from senior notes and debentures	1,606.5	--	76.4	--	1,682.9
Purchase of treasury stock and warrants	(1,945.4)	--	--	--	(1,945.4)
Repayment of notes and debentures	--	(160.6)	(171.3)	--	(331.9)
Payment on capital lease obligations	--	(10.9)	(119.7)	--	(130.6)
Purchase of treasury stock by subsidiary	--	--	(84.1)	--	(84.1)
Proceeds from exercise of stock options and warrants	187.0	--	--	--	187.0
Net cash flow provided by (used for) financing activities	774.1	(798.0)	815.2	--	791.3
Net increase (decrease) in cash and cash equivalents	111.2	(159.5)	302.0	--	253.7
Cash and cash equivalents at beginning of year	81.6	486.0	113.2	--	680.8
Cash and cash equivalents at end of year	\$ 192.8	\$ 326.5	\$ 415.2	\$--	\$ 934.5

VIACOM INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)
(Tabular dollars in millions, except per share amounts)

	Year Ended December 31, 1999				
	Viacom Inc.	Viacom International	Non- Guarantor Affiliates	Eliminations	Viacom Inc. Consolidated
Net cash flow provided by (used for) operating activities	\$ 423.0	\$(221.5)	\$ 92.6	\$--	\$ 294.1
Investing Activities:					
Acquisitions, net of cash acquired	(180.6)	--	(131.8)	--	(312.4)
Capital expenditures	--	(113.9)	(592.3)	--	(706.2)
Investments in and advances to affiliated companies	--	(40.3)	(121.3)	--	(161.6)
Purchases of short-term investments	--	(416.2)	--	--	(416.2)
Proceeds from sale of short-term investments	--	406.3	--	--	406.3
Proceeds from dispositions	--	--	114.3	--	114.3
Proceeds from sale of cost investments	--	4.0	--	--	4.0
Other, net	(18.4)	(6.6)	(10.8)	--	(35.8)
Net cash flow used for investing activities	(199.0)	(166.7)	(741.9)	--	(1,107.6)
Financing Activities:					
Borrowings (repayments) of credit agreements, net	999.3	--	1,185.5	--	2,184.8
Increase (decrease) in intercompany payables	232.4	722.1	(954.5)	--	--
Purchase of treasury stock and warrants	(478.8)	--	--	--	(478.8)
Repayment of notes and debentures	(1,073.8)	(1.5)	--	--	(1,075.3)
Repurchase of Preferred Stock	(611.9)	--	--	--	(611.9)
Payment on capital lease obligations	--	(35.9)	(70.6)	--	(106.5)
Net proceeds from issuance of subsidiary stock	--	--	430.7	--	430.7
Proceeds from exercise of stock options and warrants	390.8	--	--	--	390.8
Payment of Preferred Stock dividends	(7.8)	--	--	--	(7.8)
Other, net	1.0	--	--	--	1.0
Net cash flow provided by (used for) financing activities	(548.8)	684.7	591.1	--	727.0
Net increase (decrease) in cash and cash equivalents	(324.8)	296.5	(58.2)	--	(86.5)
Cash and cash equivalents at beginning of year	406.4	189.5	171.4	--	767.3
Cash and cash equivalents at end of year	\$ 81.6	\$ 486.0	\$ 113.2	\$--	\$ 680.8

VIACOM INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(Continued)
(Tabular dollars in millions, except per share amounts)

	Year Ended December 31, 1998				
	Viacom Inc.	Viacom International	Non- Guarantor Affiliates	Eliminations	Viacom Inc. Consolidated
Net cash flow provided by (used for) operating activities	\$ 527.3	\$ (303.7)	\$ 640.5	\$--	\$ 864.1
Investing Activities:					
Acquisitions, net of cash acquired	(14.9)	--	(111.5)	--	(126.4)
Capital expenditures	--	(88.6)	(514.9)	--	(603.5)
Investments in and advances to affiliated companies	--	(3.6)	(96.7)	--	(100.3)
Purchases of short-term investments	--	(151.6)	--	--	(151.6)
Proceeds from sale of short-term investments	--	101.4	--	--	101.4
Proceeds from dispositions	--	4,677.3	272.8	--	4,950.1
Proceeds from sale of cost investments	--	131.7	35.6	--	167.3
Other, net	--	(6.9)	(11.7)	--	(18.6)
Net cash flow provided by (used for) investing activities	(14.9)	4,659.7	(426.4)	--	4,218.4
Financing Activities:					
Borrowings (repayments) of credit agreements, net	(1,788.6)	(470.0)	(124.4)	--	(2,383.0)
Increase (decrease) in intercompany payables	3,140.7	(3,100.7)	(40.0)	--	--
Purchase of treasury stock and warrants	(809.6)	--	--	--	(809.6)
Repayment of notes and debentures	(202.6)	(666.7)	--	--	(869.3)
Repurchase of Preferred Stock	(564.0)	--	--	--	(564.0)
Payment on capital lease obligations	--	(20.6)	(90.1)	--	(110.7)
Proceeds from exercise of stock options and warrants	182.8	--	--	--	182.8
Payment of Preferred Stock dividends	(64.8)	--	--	--	(64.8)
Other, net	--	--	11.1	--	11.1
Net cash flow used for financing activities	(106.1)	(4,258.0)	(243.4)	--	(4,607.5)
Net increase (decrease) in cash and cash equivalents	406.3	98.0	(29.3)	--	475.0
Cash and cash equivalents at beginning of year	.1	91.5	200.7	--	292.3
Cash and cash equivalents at end of year	\$ 406.4	\$ 189.5	\$ 171.4	\$--	\$ 767.3

PART III

Item 10. Directors and Executive Officers.

The information contained in the Viacom Inc. Definitive Proxy Statement under the captions "Information Concerning Directors and Nominees" and "Section 16(a) Beneficial Ownership Reporting Compliance" is incorporated herein by reference. Information with respect to the Executive Officers of the Company is included in Part I hereof.

Item 11. Executive Compensation.

The information contained in the Viacom Inc. Definitive Proxy Statement under the captions "Directors' Compensation" and "Executive Compensation" is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management.

The information contained in the Viacom Inc. Definitive Proxy Statement under the caption "Security Ownership of Certain Beneficial Owners and Management" is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions.

The information contained in the Viacom Inc. Definitive Proxy Statement under the captions "Compensation Committee Interlocks and Insider Participation" and "Related Transaction" is incorporated herein by reference.

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K.

(a) and (d) Financial Statements and Schedules (see Index on Page F-1)

(b) Reports on Form 8-K

Current Report on Form 8-K of Viacom Inc. with a Report Date of October 30, 2000, relating to an Agreement and Plan of Merger pursuant to which Infinity Broadcasting Corporation would merge with and into a subsidiary of the Company.

Current Report on Form 8-K of Viacom Inc. with a Report Date of November 2, 2000, announcing an agreement for the purchase of BET Holdings II, Inc. by the Company.

Current Report on Form 8-K of Viacom Inc. with a Report Date of December 4, 2000, with respect to Investor Presentation Materials for use at the UBS Warburg Media Conference 2000.

(c) Exhibits (see Index on Page E-1)

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, Viacom Inc. has duly caused this report to be signed on its behalf by the undersigned, thereto duly authorized.

Viacom Inc.

/s/ Sumner M. Redstone
By: _____
Sumner M. Redstone,
Chairman of the Board of
Directors,
Chief Executive Officer

/s/ Fredric G. Reynolds
By: _____
Fredric G. Reynolds,
Executive Vice President,
Chief Financial Officer

/s/ Susan C. Gordon
By: _____
Susan C. Gordon,
Vice President, Controller,
Chief Accounting Officer

Date: March 28, 2001

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of Viacom Inc. and in the capacities and on the dates indicated:

Signature -----	Title -----	Date -----
* _____ George S. Abrams	Director	March 28, 2001
* _____ David R. Andelman	Director	March 28, 2001
* _____ George H. Conrades	Director	March 28, 2001
* _____ Philippe P. Dauman	Director	March 28, 2001
* _____ William H. Gray III	Director	March 28, 2001
/s/ Mel Karmazin _____ Mel Karmazin	Director	March 28, 2001

Signature -----	Title -----	Date -----
<div>*</div> <div>Jan Leschly</div>	Director	March 28, 2001
<div>*</div> <div>David T. McLaughlin</div>	Director	March 28, 2001
<div>*</div> <div>Ken Miller</div>	Director	March 28, 2001
<div>*</div> <div>Leslie Moonves</div>	Director	March 28, 2001
<div>*</div> <div>Brent D. Redstone</div>	Director	March 28, 2001
<div>*</div> <div>Shari Redstone</div>		
<div>/s/ Sumner M. Redstone</div> <div>Sumner M. Redstone</div>	Director	March 28, 2001
<div>*</div> <div>Frederic V. Salerno</div>	Director	March 28, 2001
<div>*</div> <div>William Schwartz</div>	Director	March 28, 2001
<div>*</div> <div>Ivan Seidenberg</div>	Director	March 28, 2001
<div>*</div> <div>Patty Stonesifer</div>	Director	March 28, 2001
<div>Robert D. Walter</div> <div>/s/ Michael D. Fricklas</div> <div>Michael D. Fricklas Attorney-in-Fact for the Directors</div>		March 28, 2001

*By:

VIACOM INC. AND SUBSIDIARIES

INDEX TO EXHIBITS
ITEM 14(c)

Exhibit No.	Description of Document	Page No.
-----	-----	-----
(2)	Plan of Acquisition	
(a)	Amended and Restated Agreement and Plan of Merger, dated as of September 6, 1999, as amended and restated as of October 8, 1999 and as of November 23, 1999, among Viacom Inc., CBS Corporation and Viacom/CBS LLC (incorporated by reference to Exhibit 2.1 to the Registration Statement on Form S-4 filed by Viacom Inc.) (File No. 333-88613).	
(b)	Agreement and Plan of Merger, dated as of October 30, 2000, among Viacom Inc., IBC Merger Corp. and Infinity Broadcasting Corporation (incorporated by reference to Exhibit 99.1 to the Current Report on Form 8-K of Viacom Inc. with a Report Date of October 30, 2000) (File No. 1-9553).	
(3)	Articles of Incorporation and By-laws	
(a)	Restated Certificate of Incorporation of Viacom Inc. effective May 4, 2000 (incorporated by reference to Exhibit 3.1 to the Registration Statement on Form S-4 filed by Viacom Inc.) (File No. 333-88613).	
(b)	Amended and Restated By-laws of Viacom Inc. effective May 4, 2000 (incorporated by reference to Exhibit 3.2 to the Registration Statement on Form S-4 filed by Viacom Inc.) (File No. 333-88613).	
(4)	Instruments defining the rights of security holders, including indentures	
(a)	Specimen certificate representing the Viacom Inc. Class A Common Stock (incorporated by reference to Exhibit 4.1 to the Registration Statement on Form S-4 filed by Viacom Inc.) (File No. 33-13812).	
(b)	Specimen certificate representing Viacom Inc. Class B Common Stock (incorporated by reference to Exhibit 4(a) to the Quarterly Report on Form 10-Q of Viacom Inc. for the quarter ended June 30, 1990) (File No. 1-9553).	
(c)	The instruments defining the rights of holders of the long-term debt securities of Viacom Inc. and its subsidiaries are omitted pursuant to section (b)(4)(iii)(A) of Item 601 of Regulation S-K. Viacom Inc. hereby agrees to furnish copies of these instruments to the Securities and Exchange Commission upon request.	
(10)	Material Contracts	
(a)	Viacom Inc. 1989 Long-Term Management Incentive Plan (as amended and restated through April 23, 1990, as further amended and restated through April 27, 1995 and as further amended and restated through November 1, 1996) (incorporated by reference to Exhibit 10(a) to the Annual Report on Form 10-K of Viacom Inc. for the fiscal year ended December 31, 1996) (File No. 1-9553).*	
(b)	Viacom Inc. 1994 Long-Term Management Incentive Plan (as amended and restated through April 27, 1995 and as further amended and restated through November 1, 1996) (incorporated by reference to Exhibit 10(b) to the Annual Report on Form 10-K of Viacom Inc. for the fiscal year ended December 31, 1996) (File No. 1-9553).*	
(c)	Viacom Inc. 1997 Long-Term Management Incentive Plan (as amended and restated through July 29, 1999, as further amended and restated through September 6, 1999 and as further amended and restated through May 25, 2000) (incorporated by reference to Exhibit B to Viacom Inc.'s Definitive Proxy Statement dated June 5, 2000) (File No. 1-9553).*	

- -----
* Management contract or compensatory plan required to be filed as an exhibit to this form pursuant to Item 14(c).

Exhibit No. -----	Description of Document -----	Page No. -----
(d)	Viacom Inc. 2000 Long-Term Management Incentive Plan (incorporated by reference to Exhibit A to Viacom Inc.'s Definitive Proxy Statement dated June 5, 2000) (File No. 1-9553).*	
(e)	Viacom Inc. Senior Executive Short-Term Incentive Plan (as amended and restated through March 27, 1996, as further amended and restated through March 18, 1999 and as further amended and restated through May 25, 2000) (incorporated by reference to Exhibit C to Viacom Inc.'s Definitive Proxy Statement dated June 5, 2000) (File No. 1-9553).*	
(f)	Viacom International Inc. Deferred Compensation Plan for Non-Employee Directors (as amended and restated through December 17, 1992) (incorporated by reference to Exhibit 10(e) to the Annual Report on Form 10-K of Viacom Inc. for the fiscal year ended December 31, 1992, as amended by Form 10-K/A Amendment No. 1 dated November 29, 1993 and as further amended by Form 10-K/A Amendment No. 2 dated December 9, 1993) (File No. 1-9553).*	
(g)	Viacom Inc. and Viacom International Inc. Retirement Income Plan for Non-Employee Directors (incorporated by reference to Exhibit 10(f) to the Annual Report on Form 10-K of Viacom Inc. for the fiscal year ended December 31, 1989) (File No. 1-9553).*	
(h)	Viacom Inc. Stock Option Plan for Outside Directors (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q of Viacom Inc. for the quarter ended June 30, 1993) (File No. 1-9553).*	
(i)	Viacom Inc. 1994 Stock Option Plan for Outside Directors (incorporated by reference to Exhibit B to Viacom Inc.'s Definitive Proxy Statement dated April 28, 1995) (File No. 1-9553).*	
(j)	Viacom Inc. 2000 Stock Option Plan for Outside Directors (incorporated by reference to Exhibit D to Viacom Inc.'s Definitive Proxy Statement dated June 5, 2000) (File No. 1-9553).*	
(k)	Viacom Inc. Excess Investment Plan (Effective April 1, 1984 and Amended as of January 1, 1996) (incorporated by reference to Exhibit 4.1 to the Viacom Inc. Registration Statement on Form S-8) (File No. 333-42987).*	
(l)	Excess Pension Plan for Certain Employees of Viacom International Inc. restated as of January 1, 1996 (incorporated by reference to Exhibit 10(j) to the Annual Report on Form 10-K of Viacom Inc. for the fiscal year ended December 31, 1999) (File No. 1-9553).*	
(m)	Viacom Inc. Executive Severance Plan for Senior Vice Presidents (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q of Viacom Inc. for the quarter ended September 30, 1999) (File No. 1-9553).*	
(n)	Employment Letter Agreement, dated September 6, 1999, between Viacom Inc. and Sumner M. Redstone (incorporated by reference to Exhibit 10.3 to the Registration Statement on Form S-4 filed by Viacom Inc.) (File No. 333-88613).*	
(o)	Employment Letter Agreement, dated September 6, 1999, between Viacom Inc. and Mel Karmazin (incorporated by reference to Exhibit 10.4 to the Registration Statement on Form S-4 filed by Viacom Inc.) (File No. 333-88613), as amended by the First Amendment to Employment Agreement dated December 31, 1999 (incorporated by reference to Exhibit 10(ss) to the Annual Report on Form 10-K of CBS Corporation for the fiscal year ended December 31, 1999) (File No. 1-977), and as further amended by an Agreement dated June 13, 2000 (incorporated by reference to Exhibit 10.5 to the Quarterly Report on Form 10-Q of Viacom Inc. for the quarter ended June 30, 2000) (File No. 1-9553).*	

 * Management contract or compensatory plan required to be filed as an exhibit to this form pursuant to Item 14(c).

Exhibit No. -----	Description of Document -----	Page No. -----
(p)	Agreement, dated as of January 1, 1996, between Viacom Inc. and Philippe P. Dauman (incorporated by reference to Exhibit 10(1) to the Annual Report on Form 10-K of Viacom Inc. for the fiscal year ended December 31, 1995) (File No. 1-9553), as amended by an Agreement dated August 20, 1998 (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of Viacom Inc. for the quarter ended September 30, 1998) (File No. 1-9553).*	
(q)	Agreement, dated September 6, 1999, between Viacom Inc. and Philippe P. Dauman (incorporated by reference to Exhibit 10.5 to the Current Report on Form 8-K of Viacom Inc. with a Report Date of September 6, 1999) (File No. 1-9553), as amended by an Agreement dated April 28, 2000 (incorporated by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q of Viacom Inc. for the quarter ended March 31, 2000) (File No. 1-9553).*	
(r)	Agreement, dated as of January 1, 1996, between Viacom Inc. and Thomas E. Dooley (incorporated by reference to Exhibit 10(m) to the Annual Report on Form 10-K of Viacom Inc. for the fiscal year ended December 31, 1995) (File No. 1-9553), as amended by an Agreement dated August 20, 1998 (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q of Viacom Inc. for the quarter ended September 30, 1998) (File No. 1-9553).*	
(s)	Agreement, dated September 6, 1999, between Viacom Inc. and Thomas E. Dooley (incorporated by reference to Exhibit 10.6 to the Current Report on Form 8-K of Viacom Inc. with a Report Date of September 6, 1999) (File No. 1-9553), as amended by an Agreement dated April 28, 2000 (incorporated by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q of Viacom Inc. for the quarter ended March 31, 2000) (File No. 1-9553).*	
(t)	Agreement, dated as of May 1, 2000, between Viacom Inc. and Michael D. Fricklas (incorporated by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q of Viacom Inc. for the quarter ended September 30, 2000) (File No. 1-9553).*	
(u)	Agreement, dated March 2, 1999, between CBS Corporation and Fredric G. Reynolds (incorporated by reference by Exhibit 10(q) to the Quarterly Report on Form 10-Q of CBS Corporation for the quarter ended March 31, 1999) (File No. 1-977).*	
(v)	Agreement, dated as of May 1, 2000, between Viacom Inc. and William A. Roskin (filed herewith).*	
(w)	Service Agreement, dated as of March 1, 1994, between George S. Abrams and Viacom Inc. (incorporated by reference to Exhibit 10(q) to the Annual Report on Form 10-K of Viacom Inc. for the fiscal year ended December 31, 1994) (File No. 1-9553).*	
(x)	Agreement, dated as of May 17, 1995, between CBS Broadcasting Inc. and Leslie Moonves, as amended by an Agreement dated January 20, 1998 (incorporated by reference to Exhibit 10(v) to the Annual Report on Form 10-K of CBS Corporation for the fiscal year ended December 31, 1997) (File No. 1-977), as further amended by an Agreement dated as of July 5, 1999 (incorporated by reference to Exhibit 10(q) to the Quarterly Report on Form 10-Q of CBS Corporation for the quarterly period ended September 30, 1999 (File No. 1-977), and as further amended by an Agreement dated as of May 25, 2000 (filed herewith).*	
(y)	CBS Corporation ("CBS") plans* assumed by Viacom Inc. after the merger with CBS, consisting of the following: <ul style="list-style-type: none"> (i) CBS 1991 Long-Term Incentive Plan (as amended as of July 28, 1999) (incorporated by reference to Exhibit 10.15 to the Quarterly Report on Form 10-Q of Infinity Broadcasting Corporation for the quarter ended September 30, 1999) (File No. 1-4599). 	

* Management contract or compensatory plan required to be filed as an exhibit to this form pursuant to Item 14(c).

Exhibit No. -----	Description of Document -----	Page No. -----
	<ul style="list-style-type: none"> (ii) CBS 1993 Long-Term Incentive Plan (as amended as of July 28, 1999) (incorporated by reference to Exhibit 10.16 to the Quarterly Report on Form 10-Q of Infinity Broadcasting Corporation for the quarter ended September 30, 1999) (File No. 1-4599). (iii) Infinity Broadcasting Corporation Warrant Certificate No. 3 to Mel Karmazin (incorporated by reference to Exhibit 4.6 to the Post-Effective Amendment No. 1 on Form S-8 to the Registration Statement on Form S-4 filed by CBS Corporation (f/k/a Westinghouse Electric Corporation) (File No. 333-13219).* (iv) Westinghouse Executive Pension Plan (As amended and restated as of July 28, 1999) (incorporated by reference to Exhibit 10.20 to the Quarterly Report on Form 10-Q of Infinity Broadcasting Corporation for the quarter ended September 30, 1999) (File No. 1-4599). (v) CBS Supplemental Executive Retirement Plan (As amended as of April 1, 1999) (incorporated by reference to Exhibit 10(h) to the Quarterly Report on Form 10-Q of CBS for the quarter ended September 30, 1999) (File No. 1-977). (vi) CBS Bonus Supplemental Executive Retirement Plan (As amended as of April 1, 1999) (incorporated by reference to Exhibit 10(i) to the Quarterly Report on Form 10-Q of CBS for the quarter ended September 30, 1999) (File No. 1-977). (vii) CBS Supplemental Employee Investment Fund (As amended as of January 1, 1998) (incorporated by reference to Exhibit 10(j) to the Quarterly Report on Form 10-Q of CBS for the quarter ended September 30, 1999) (File No. 1-977). (viii) Director's Charitable Giving Program, As Amended Effective April 30, 1996 (incorporated by reference to Exhibit 10(g) to the Quarterly Report on Form 10-Q of CBS (f/k/a Westinghouse Electric Corporation) for the quarter ended June 30, 1996) (File No. 1-977). (ix) CBS Deferred Compensation and Stock Plan for Directors (as amended as of February 24, 2000) (filed herewith). (x) Advisory Director's Plan Termination Fee Deferral Terms and Conditions, Effective April 30, 1996. (As Revised Effective February 24, 2000) (filed herewith). 	
(z)	<p>Infinity Broadcasting Corporation ("Infinity") stock option plans* assumed by Viacom Inc. after the merger with Infinity, consisting of the following:</p> <ul style="list-style-type: none"> (i) Infinity 1998 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.16 to the Annual Report on Form 10-K of Infinity for the fiscal year ended December 31, 1999) (File No. 1-4599). (ii) Amended and Restated Infinity Stock Option Plan (incorporated by reference to Exhibit 4.4 to the Post-Effective Amendment No. 1 on Form S-8 to the Registration Statement on Form S-4 filed by CBS (f/k/a Westinghouse Electric Corporation)) (File No. 333-13219). 	
(aa)	Credit Agreement, dated as of June 21, 1999, between Blockbuster Inc. and the banks named therein (incorporated by reference to Exhibit 10.22 to the Registration Statement on Form S-1 filed by Blockbuster Inc.) (File No. 333-77899).	
(bb)	Amended and Restated Five-Year Credit Agreement, dated as of May 3, 2000, as amended and restated as of March 7, 2001, among Viacom Inc.; Viacom International Inc.; the Subsidiary Borrowers Parties thereto; the Lenders named therein; The Chase Manhattan Bank, as Administrative Agent; Fleet National Bank and Bank of America, N.A., as Co-Syndication Agents; and Bank of New York, as Documentation Agent (filed herewith).	

* Management contract or compensatory plan required to be filed as an exhibit to this form pursuant to Item 14(c).

Exhibit No. -----	Description of Document -----	Page No. -----
(cc)	Five-Year Credit Agreement, dated as of March 7, 2001, among Viacom Inc.; Viacom International Inc.; the Subsidiary Borrowers Parties thereto; the Lenders named therein; The Chase Manhattan Bank, as Administrative Agent; Salomon Smith Barney Inc., as Syndication Agent; and Bank of America, N.A. and Fleet National Bank, as Co-Documentation Agents (filed herewith).	
(dd)	364-Day Credit Agreement, dated as of March 7, 2001, among Viacom Inc.; Viacom International Inc.; the Subsidiary Borrowers Parties thereto; the Lenders named therein; The Chase Manhattan Bank, as Administrative Agent; Salomon Smith Barney Inc., as Syndication Agent; and Fleet National Bank and Bank of America, N.A., as Co-Documentation Agents (filed herewith).	
(21)	Subsidiaries of Viacom Inc.	
(23)	Consents of Experts and Counsel	
(a)	Consent of PricewaterhouseCoopers LLP	
(24)	Powers of Attorney	

VIACOM INC. AND SUBSIDIARIES

INDEX TO FINANCIAL STATEMENTS AND SCHEDULE

Item 14a

The following consolidated financial statements and schedule of the registrant and its subsidiaries are submitted herewith as part of this report:

	Reference (Page/s)

1. Report of Independent Accountants.....	II-28
2. Management's Statement of Responsibility for Financial Reporting.....	II-29
3. Consolidated Statements of Operations for the years ended December 31, 2000, 1999 and 1998.....	II-30
4. Consolidated Balance Sheets as of December 31, 2000 and 1999..	II-31
5. Consolidated Statements of Cash Flows for the years ended December 31, 2000, 1999 and 1998.....	II-32
6. Consolidated Statements of Stockholders' Equity and Comprehensive Income for the years ended December 31, 2000, 1999 and 1998.....	II-33
7. Notes to Consolidated Financial Statements.....	II-34-II-70
Financial Statement Schedule:	
II. Valuation and qualifying accounts.....	F-2

All other Schedules are omitted since the required information is not present or is not present in amounts sufficient to require submission of the schedule.

VIACOM INC. AND SUBSIDIARIES

SCHEDULE II--VALUATION AND QUALIFYING ACCOUNTS
(Millions of dollars)

Col. A	Col. B	Col. C	Col. D	Col. E	
Description	Balance at Beginning of Period	Balance Acquired through Acquisitions(1)	Charged to Costs and Expenses	Charged to Other Accounts Deductions	Balance at End of Period
Allowance for doubtful accounts:					
Year ended December 31, 2000	\$109.5	\$ 94.7	\$124.1	\$28.4	\$110.5
Year ended December 31, 1999	\$ 98.7	\$ --	\$ 33.5	\$ 8.1	\$ 30.8
Year ended December 31, 1998	\$ 99.8	\$ --	\$ 29.5	\$18.3	\$ 48.9(2)
Valuation allowance on deferred tax assets:					
Year ended December 31, 2000	\$ 96.0	\$ 53.0	\$ 39.0	\$ --	\$ 15.9
Year ended December 31, 1999	\$ 88.3	\$ --	\$ --	\$ 3.8	\$ (3.9)
Year ended December 31, 1998	\$106.8	\$ --	\$ --	\$ --	\$ 18.5
Reserves for inventory obsolescence:					
Year ended December 31, 2000	\$ 33.2	\$196.7	\$ 59.0	\$(1.7)	\$ 96.4
Year ended December 31, 1999	\$ 56.7	\$ --	\$ 18.5	\$16.8	\$ 58.8
Year ended December 31, 1998	\$150.6	\$ --	\$ 25.7	\$(8.1)	\$111.5

Notes:

(1) Primarily consists of acquisition of CBS.

(2) Primarily related to the sale of Non-Consumer Publishing and amounts
written off, net of recoveries.

As of May 1, 2000

William A. Roskin

Dear Mr. Roskin:

Viacom Inc. ("Viacom"), 1515 Broadway, New York, New York 10036, agrees to employ you and you agree to accept such employment upon the following terms and conditions:

1. Term. The term of your employment under this Agreement shall commence

on May 1, 2000 and, unless terminated by Viacom or you pursuant to paragraph 8(a), (b) or (c), shall continue through and until August 1, 2003. The period from May 1, 2000 through August 1, 2003 is referred to as the "Term" notwithstanding any earlier termination of your employment for any reason.

2. Duties. You agree to devote your entire business time, attention and

energies to the business of Viacom and its subsidiaries during your employment with Viacom. You will be Senior Vice President, Human Resources and Administration of Viacom, reporting directly and solely to the President and Chief Operating Officer (the "COO") or the Chief Executive Officer (the "CEO") of Viacom, and you agree to perform all duties reasonable and consistent with that office as the COO or the CEO may assign to you from time to time. You will have such authority as is necessary for the performance of your obligations hereunder. Your principal place of business shall be Viacom's headquarters in the New York City metropolitan area.

3. Compensation.

(a) Salary. For all the services rendered by you in any capacity

under this Agreement, Viacom agrees to pay you Eight Hundred Thousand Dollars (\$800,000) a year in base salary ("Salary"), less applicable deductions and withholding taxes, in accordance with Viacom's payroll practices as they may exist from time to time. Your Salary will be increased on May 1, 2001 to Eight Hundred Seventy Five Thousand Dollars (\$875,000) a year and on May 1, 2002 to Nine Hundred Fifty Thousand Dollars (\$950,000) a year.

(b) Bonus Compensation. You also shall be entitled to receive annual

bonus compensation ("Bonus") during your employment with Viacom under this Agreement, determined and payable as follows:

- (i) Your Bonus for each calendar year during your employment with Viacom under this Agreement will be determined in accordance with the Viacom Senior Executive Short-Term Incentive Plan, as the same may be amended from time to time (the "STIP").
- (ii) Your target bonus ("Target Bonus") for each of those calendar years shall be 60% of your Salary as in effect on November 1st of such year. Your Bonus may be prorated for any portion of the calendar year that you were employed by Viacom.
- (iii) Your Bonus for any calendar year shall be payable, less applicable deductions and withholding taxes, by February 28th of the following year.

(c) Long-Term Incentive Plans.

-
- (i) Special Grant: You have been awarded a special grant (the "Special Grant") under Viacom's 1997 Long-Term Management Incentive Plan (the "1997 LTMIP") of stock options to purchase One Hundred Thousand (100,000) shares of Viacom's Class B Common Stock, effective as of May 25, 2000 (the "Date of Special Grant"), with an exercise price of \$54.0625 for each share (the closing price of the Class B Common Stock on the NYSE on the date of grant). The Special Grant shall vest in three equal installments on the first, second and third anniversaries of the Date of Special Grant.
 - (ii) Additional Grants: In addition to the Special Grant, during

your employment under this Agreement, you shall be eligible to participate in one or more of Viacom's long-term incentive plans at a level appropriate to your position as determined by the Viacom Board of Directors or a committee of the Board.

4. Benefits. You shall participate in such vacation, medical, dental, life

insurance, long-term disability insurance, 401(k), pension and other plans as Viacom may have or establish from time to time and in which you would be entitled to participate under the terms of the plan. This provision, however, shall not be construed to either require Viacom to establish any welfare, compensation or long-term incentive plans, or to prevent the modification or termination of any plan once established, and no action or inaction with respect to any plan shall affect this Agreement.

5. Business Expenses; Car Allowance and Insurance. During your employment

under this Agreement, Viacom shall reimburse you for such reasonable travel and other expenses incurred in the performance of your duties as are customarily reimbursed to Viacom executives at comparable levels. You shall receive a car allowance and car insurance for one vehicle in accordance with Viacom's policies, as the same may be amended from time to time.

6. Non-Competition, Confidential Information, Etc.

(a) Non-Competition. You agree that your employment with Viacom is

on an exclusive basis and that, while you are employed by Viacom, you will not engage in any other business activity which is in conflict with your duties and obligations (including your commitment of time) under this Agreement. You agree that, during the Non-Compete Period (as defined below), you shall not directly or indirectly engage in or participate as an owner, partner, stockholder, officer, employee, director, agent of or consultant for any business competitive with any business of Viacom, without the written consent of Viacom; provided,

however, that this provision shall not prevent you from investing as less than a

- -----
one (1%) percent stockholder in the securities of any company listed on a national securities exchange or quoted on an automated quotation system. The Non-Compete Period shall cover the entire Term; provided, however, that, if your

employment terminates before the end of the Term, the Non-Compete Period shall terminate, if earlier, (i) one year after you terminate your employment for Good Reason or Viacom terminates your employment without Cause, or on such earlier date as you may make the election under paragraph 6(j) (which relates to your ability to terminate your obligations under this paragraph 6(a) in exchange for waiving your right to certain compensation and benefits); or (ii) eighteen (18) months after Viacom terminates your employment for Cause. (Defined terms used without definitions in the preceding sentence have the meanings provided in paragraphs 8(a) and (b).)

(b) Confidential Information. You agree that, during the Term or at

any time thereafter, (i) you shall not use for any purpose other than the duly authorized business of Viacom, or disclose to any third party, any information relating to Viacom or any of its affiliated companies which is proprietary to Viacom or any of its affiliated companies ("Confidential Information"), including any trade secret or any written (including in any electronic form) or oral communication incorporating Confidential Information in any way (except as may be required by law or in the performance of your duties under this Agreement consistent with Viacom's policies); and (ii) you will comply with any and all confidentiality obligations of Viacom to a third party, whether arising under a written agreement or otherwise. Information shall not be deemed Confidential Information which (x) is or becomes generally available to the public other than as a result of a disclosure by you or at your direction or by any other person who directly or indirectly receives such information from you, or (y) is or becomes available to you on a non-confidential basis from a source which is entitled to disclose it to you.

(c) No Employee Solicitation. You agree that, during the Term and

for one (1) year thereafter, you shall not, directly or indirectly, engage, employ or solicit the employment or consulting services of any person who is then or has been within six (6) months prior to the time of such action, an employee of Viacom or any of its affiliated companies, or agree to do so.

(d) Viacom Ownership. The results and proceeds of your services

under this Agreement, including, without limitation, any works of authorship resulting from your services during your employment with Viacom and/or any of its affiliated companies and any works in progress resulting from such services, shall be works-made-for-hire and Viacom shall be deemed the sole owner throughout the universe of any and all rights of every nature in such works, whether such rights are now known or hereafter defined or discovered, with the right to use the works in perpetuity in any manner Viacom determines in its sole discretion without any further payment to you. If, for any reason, any of such results and proceeds are not legally deemed a work-made-for-hire and/or there are any rights in such results and proceeds which do not accrue to Viacom under the preceding sentence, then you hereby irrevocably assign and agree to assign any and all of your right, title and interest thereto, including, without limitation, any and all copyrights, patents, trade secrets, trademarks and/or other rights of every nature in the work, whether now known or hereafter defined or discovered, and Viacom shall have the right to use the work in perpetuity throughout the universe in any manner Viacom determines in its sole discretion without any further payment to you. You shall, as may be requested by Viacom from time to time, do any and all things which Viacom may deem useful or desirable to establish or document Viacom's rights in any such results and proceeds, including, without limitation, the execution of appropriate copyright, trademark and/or patent applications, assignments or similar documents and, if you are unavailable or unwilling to execute such documents, you hereby irrevocably designate the CEO or his designee as your attorney-in-fact with the power to execute such documents on your behalf. To the extent you have any rights in the results and proceeds of your services under this Agreement that cannot be assigned as described above, you unconditionally and irrevocably waive the enforcement of such rights. This paragraph 6(d) is subject to, and does not limit, restrict, or constitute a waiver by Viacom or any of its affiliated companies of any ownership rights to which Viacom or any of its affiliated companies may be entitled by operation of law by virtue of being your employer.

(e) Litigation. You agree that, during the Term, for one (1) year

thereafter and, if longer, during the pendency of any litigation or other proceeding, (i) you shall not communicate with anyone (other than your own attorneys and tax advisors), except to the extent necessary in the performance of your duties under this Agreement, with respect to the facts or subject matter of any pending or potential litigation, or regulatory or administrative proceeding involving Viacom or any of Viacom's affiliated companies, other than any litigation or other proceeding in which you are a party-in-opposition, without giving prior notice to Viacom or Viacom's counsel; and (ii) in the event that any other party attempts to obtain information or documents from you with respect to matters possibly related to such litigation or other proceeding, you shall promptly notify Viacom's counsel before providing such information or documents.

(f) No Right to Give Interviews or Write Books, Articles, Etc.

During the Term, except as authorized by Viacom, you shall not (i) give any interviews or speeches, or (ii) prepare or assist any person or entity in the preparation of any books, articles, television or motion picture productions or other creations, in either case, concerning Viacom or any of its affiliated companies or any of their respective officers, directors, agents, employees, suppliers or customers.

(g) Return of Property. All documents, data, recordings, or other

property, whether tangible or intangible, including all information stored in electronic form, obtained or prepared by or for you and utilized by you in the course of your employment with Viacom or any of its affiliated companies shall remain the exclusive property of Viacom. In the event of the termination of your employment for any reason, Viacom reserves the right, to the extent permitted by law and in addition to any other remedy Viacom may have, to deduct from any monies otherwise payable to you the following: (i) all amounts you may owe to Viacom or any of its affiliated companies at the time of or subsequent to the termination of your employment with Viacom; and (ii) the value of the Viacom property which you retain in your possession after the termination of your employment with Viacom. In the event that the law of any state or other jurisdiction requires the consent of an employee for such deductions, this Agreement shall serve as such consent.

(h) Non-Disparagement. You agree that, during the Term and for one

(1) year thereafter, you shall not, in any communications with the press or other media or any customer, client or supplier of Viacom or any of its affiliated companies, criticize, ridicule or make any statement which disparages or is derogatory of Viacom or any of its affiliated companies or any of their respective directors or senior officers.

(i) Injunctive Relief. Viacom has entered into this Agreement in

order to obtain the benefit of your unique skills, talent, and experience. You acknowledge and agree that any violation of paragraphs 6(a) through (h) of this Agreement will result in irreparable damage to Viacom, and, accordingly, Viacom may obtain injunctive and other equitable relief for any breach or threatened breach of such paragraphs, in addition to any other remedies available to Viacom.

(j) Survival; Modification of Terms. Your obligations under

paragraphs 6(a) through (i) shall remain in full force and effect for the entire period provided therein notwithstanding the termination of your employment under this Agreement for any reason or the expiration of the Term; provided, however,

that your obligations under paragraph 6(a) (but not under any other provision of this Agreement) shall cease if you terminate your employment for Good Reason or Viacom terminates your employment without Cause and you notify Viacom in writing that you have elected to waive your right to receive, or to continue to receive, termination payments and benefits under paragraphs 8(d)(i) through (vi) and/or 8(e). You and Viacom

agree that the restrictions and remedies contained in paragraphs 6(a) through (i) are reasonable and that it is your intention and the intention of Viacom that such restrictions and remedies shall be enforceable to the fullest extent permissible by law. If a court of competent jurisdiction shall find that any such restriction or remedy is unenforceable but would be enforceable if some part were deleted or the period or area of application reduced, then such restriction or remedy shall apply with the modification necessary to make it enforceable.

7. Disability. In the event that you become "disabled" within the meaning

of such term under Viacom's Short-Term Disability ("STD") program and its Long-Term Disability ("LTD") program during the Term (such condition is referred to as a "Disability"), you will receive compensation under the STD program in accordance with its terms. Thereafter, you will be eligible to receive benefits under the LTD program in accordance with its terms. If you have not returned to work by December 31st of a calendar year during the Term, you will receive bonus compensation for the calendar year(s) during the Term in which you receive compensation under the STD program, determined as follows:

- (i) for the portion of the calendar year from January 1st until the date on which you first receive compensation under the STD program, bonus compensation shall be determined in accordance with the STIP (i.e., based upon Viacom's achievement of its goals and Viacom's good faith estimate of your achievement of your personal goals) and prorated for such period; and
- (ii) for any subsequent portion of that calendar year and any portion of the following calendar year in which you receive compensation under the STD program, bonus compensation shall be in an amount equal to your Target Bonus and prorated for such period(s).

Bonus compensation under this paragraph 7 shall be paid, less applicable deductions and withholding taxes, by February 28th of the year(s) following the year as to which such bonus compensation is payable. You will not receive bonus compensation for any portion of the calendar year(s) during the Term while you receive benefits under the LTD program. For the periods that you receive compensation and benefits under the STD and LTD programs, such compensation and benefits and the bonus compensation provided under this paragraph 7 are in lieu of Salary and Bonus under paragraphs 3(a) and (b). The stock options granted to you under the LTMIP (as defined in paragraph 8(d)(vii)) which are exercisable on or prior to the date on which benefits commence under the LTD program, together with all LTMIP stock options that would have vested and become exercisable on or before the last day of the Term (which options shall become immediately vested and exercisable), shall be exercisable until the first anniversary of the date on which such benefits commence or, if earlier, the expiration date of the stock options.

8. Termination.

(a) Termination for Cause. Viacom may, at its option, terminate your

employment under this Agreement forthwith for Cause and thereafter shall have no further obligations under this Agreement, including, without limitation, any obligation to pay Salary or Bonus or provide benefits. Cause shall mean: (i) embezzlement, fraud or other conduct which would constitute a felony; (ii) willful unauthorized disclosure of Confidential Information; (iii) your failure to obey a material lawful directive that is appropriate to your position from an executive(s) in your reporting line; (iv) your material breach of this Agreement; or (v) your failure (except in the event of your Disability) or refusal to substantially perform your material obligations under this Agreement. Viacom will give you written notice prior to terminating your employment pursuant to (iii), (iv), or (v) of this paragraph 8(a), setting forth the nature of any alleged failure, breach or refusal in reasonable detail and the conduct required to cure. Except for a failure, breach or refusal which, by its nature, cannot reasonably be expected to be cured, you shall have ten (10) business days from the giving of such notice within which to cure any failure, breach or refusal under (iii), (iv), or (v) of this paragraph 8(a); provided, however,

that, if Viacom reasonably expects irreparable injury from a delay of ten (10) business days, Viacom may give you notice of such shorter period within which to cure as is reasonable under the circumstances.

(b) Good Reason Termination. You may terminate your employment under

this Agreement for Good Reason at any time during the Term by written notice to Viacom no more than thirty (30) days after the occurrence of the event constituting Good Reason. Such notice shall state an effective date no earlier than thirty (30) business days after the date it is given. Viacom shall have ten (10) business days from the giving of such notice within which to cure and, in the event of such cure, your notice shall be of no further force or effect. Good Reason shall mean without your consent (other than in connection with the termination or suspension of your employment or duties for Cause or in connection with your Disability): (i) the assignment to you of duties or responsibilities substantially inconsistent with your position(s) or duties; (ii) the withdrawal of material portions of your duties described in paragraph 2 or a change in your reporting relationships such that you do not report directly and solely to the COO or CEO; (iii) the material breach by Viacom of its material obligations under this Agreement; or (iv) the relocation of your position outside the New York City metropolitan area.

(c) Termination Without Cause. Viacom may terminate your employment

under this Agreement without Cause at any time during the Term by written notice to you.

(d) Termination Payments/Benefits. In the event that your employment

terminates under paragraph 8(b) or (c), you shall thereafter receive, less applicable withholding taxes:

- (i) your Salary, as in effect on the date on which your employment terminates, until the end of the Term, paid in accordance with Viacom's then effective payroll practices;

- (ii) bonus compensation for the calendar year in which such termination occurs, payable by February 28th of the following year, determined as follows:
 - (x) for the portion of the calendar year from January 1st until the date of the termination, bonus compensation shall be determined in accordance with the STIP (i.e.,

based on Viacom's achievement of its goals and Viacom's good faith estimate of your achievement of your personal goals) and prorated for such period; and
 - (y) for the remaining portion of such calendar year during the Term, bonus compensation shall be in an amount equal to your Target Bonus and prorated for such period;
- (iii) bonus compensation for each subsequent calendar year or portion thereof during the Term, in an amount equal to your Target Bonus, prorated for any partial calendar year and payable by February 28th of the following year;
- (iv) your car allowance until the end of the Term, paid in accordance with Viacom's then effective payroll practices;
- (v) medical and dental insurance coverage provided under COBRA at no cost to you (except as hereafter described) pursuant to Viacom's then-current benefit plans until the end of the Term or, if earlier, the date on which you become eligible for medical and dental coverage from a third party; provided,

that, during the period that Viacom provides you with this coverage, an amount equal to the applicable COBRA premiums (or such other amounts as may be required by law) will be included in your income for tax purposes to the extent required by law and Viacom may withhold taxes from your compensation for this purpose; and provided, further, that you may elect to continue

your medical and dental insurance coverage under COBRA at your own expense for the balance, if any, of the period required by law;
- (vi) life insurance coverage until the end of the Term pursuant to Viacom's then-current policy in the amount then furnished to Viacom employees at no cost (the amount of such coverage will be reduced by the amount of life insurance coverage furnished to you at no cost by a third party employer); and

(vii) the following with respect to any stock options granted to you under the 1997 LTMIP and any predecessor or successor plans ("LTMIP"):

- (x) all LTMIP stock options that have not vested and become exercisable on the date of such termination but that would have vested on or before the end of the Term shall vest on the date of termination; such LTMIP stock options shall remain exercisable for six (6) months after such date or, if earlier, until their expiration date; and
- (y) all outstanding LTMIP stock options that have previously vested and become exercisable by the date of such termination shall remain exercisable for six (6) months after such date or, if earlier, until their expiration date.

You shall be required to mitigate the amount of any payment provided for in (i), (ii), (iii) and (iv) of this paragraph 8(d) by seeking other employment, and the amount of such payments shall be reduced by any compensation earned by you from any source, including, without limitation, salary, sign-on or annual bonus compensation, consulting fees, commission payments, car allowance and, in the event you receive long-term compensation with a present value, as reasonably determined by Viacom, greater than you would likely have received from Viacom during a comparable period (based on historical grants of long-term compensation during your service with Viacom and Viacom's practices with respect to your position, and prorating the value of such long-term compensation over the term of service required to vest therein), in each case as reasonably determined by Viacom, the amount of such excess; provided, that mitigation shall not be

required, and no reduction for other compensation shall be made, for twelve (12) months after the termination of your employment or, if less, the balance of the Term.

(e) Non-Renewal Notice/Payments. If Viacom elects not to extend or renew

this Agreement at the end of the Term, you shall receive the following:

- (i) If (x) Viacom notifies you less than twelve (12) months before the end of the Term that it has elected not to extend or renew this Agreement (such notice is referred to as a "Non-Renewal Notice"), or (y) your employment terminates under paragraph 8(b) or (c) during the final twelve (12) months of the Term, you shall continue to receive, after your employment terminates, your then-current Salary for the balance of the twelve (12) months from the date on which the Non-Renewal Notice is given or your employment terminates, whichever is earlier.

- (ii) If Viacom does not give you a Non-Renewal Notice by the end of the Term and you remain employed through that date but have not entered into a new contractual relationship with Viacom or any of its affiliated companies, and Viacom thereafter terminates your employment without Cause, you shall continue to receive your then-current Salary for the balance, if any, of the twelve (12) months after the expiration of the Term.

Notwithstanding the foregoing, you shall not receive Salary under this paragraph 8(e) with respect to any period for which you receive Salary under paragraph 8(d)(i). Payments under this paragraph 8(e) shall be made, less applicable withholding taxes, in accordance with Viacom's then effective payroll practices. You shall be required to mitigate the amount of any payment under this paragraph 8(e) by seeking other employment, and the amount of any such payment shall be reduced by any compensation earned by you from any source, including, without limitation, salary, sign-on or annual bonus compensation, consulting fees, commission payments, car allowance and, in the event you receive long-term compensation with a present value, as reasonably determined by Viacom, greater than you would likely have received from Viacom during a comparable period (based on historical grants of long-term compensation during your service with Viacom and Viacom's practices with respect to your position, and prorating the value of such long-term compensation over the term of service required to vest therein), in each case as reasonably determined by Viacom, the amount of such excess.

- (f) Termination of Benefits. Notwithstanding anything in this

Agreement to the contrary (except as otherwise provided in paragraph 8(d) with respect to medical and dental benefits and life insurance), participation in all Viacom benefit plans and programs (including, without limitation, vacation accrual, the Viacom Investment Plan, the Viacom Pension Plan and the related excess plans, LTD, car insurance and accidental death and dismemberment and business travel and accident insurance) will terminate upon the termination of your employment except to the extent otherwise expressly provided in such plans or programs and subject to any vested rights you may have under the terms of such plans or programs. The foregoing shall not apply to the LTMIP and, after the termination of your employment, your rights under the LTMIP shall be governed by the terms of the LTMIP option agreements and the applicable LTMIP plans together with paragraph 8(d)(vii).

- (g) Resignation from Official Positions. If your employment with

Viacom terminates for any reason, you shall be deemed to have resigned at that time from any and all officer or director positions that you may have held with Viacom or any of its affiliated companies and all board seats or other positions in other entities you held on behalf of Viacom. If, for any reason, this paragraph 8(g) is deemed insufficient to effectuate such resignation, you agree to execute, upon the request of Viacom, any documents or instruments which Viacom may deem necessary or desirable to effectuate such resignation or resignations, and you hereby authorize the Secretary and any Assistant Secretary of Viacom to execute any such documents or instruments as your attorney-in-fact.

(h) Election of Rights Under Executive Severance Plan. In the event

that your employment is terminated on or before May 4, 2001 by Viacom without Cause or by you for Good Reason within the meaning of such terms under this Agreement and the Viacom Executive Severance Plan for Senior Vice Presidents (the "Severance Plan"), then you may elect to receive the severance compensation and benefits provided either (i) in this Agreement, or (ii) in the Severance Plan. By entering into this Agreement, you waive your right to terminate your employment for Good Reason under the Severance Plan based on events that occurred before you entered into this Agreement. If your employment terminates without Cause or for Good Reason, you will remain subject to all of the terms and conditions, including, without limitation, restrictive covenants and the requirement of a general release (i) provided in this Agreement if you elect the severance compensation and benefits provided in this Agreement, or (ii) provided in the Severance Plan if you elect the severance compensation and benefits provided in the Severance Plan.

9. Death. In the event of your death prior to the end of the Term while

actively employed, your beneficiary or estate shall receive (i) your Salary up to the date on which the death occurs; (ii) any Bonus earned in the prior year but not yet paid; and (iii) bonus compensation for the calendar year in which the death occurs, determined in accordance with the STIP (i.e., based upon

Viacom's achievement of its goals and Viacom's good faith estimate of your achievement of your personal goals) and pro-rated for the portion of the year through the date of death, payable, less applicable deductions and withholding taxes, by February 28th of the following year. In the event of your death after the termination of your employment while you are entitled to receive compensation under paragraph 8(d) or (e), your beneficiary or estate shall receive (x) any Salary payable under paragraph 8(d)(i) or 8(e) up to the date on which the death occurs; (y) any bonus compensation earned under paragraph 8(d)(ii) or (iii) with respect to the prior year but not yet paid; and (z) any bonus compensation for the calendar year in which the death occurs, determined in accordance with paragraph 8(d)(ii) or (iii) and pro-rated for the portion of the year through the date of death, payable, less applicable deductions and withholding taxes, by February 28th of the following year. Your beneficiary or estate or permitted transferee shall also be entitled to exercise LTMIP stock options which are exercisable on or prior to your death, together with all LTMIP stock options that would have vested and become exercisable on or prior to the last day of the Term but for your death (which options shall immediately become vested and exercisable), until the first anniversary of the date of death or, if earlier, the expiration date of the stock options.

10. No Acceptance of Payments. You represent that you have not accepted or

given nor will you accept or give, directly or indirectly, any money, services or other valuable consideration from or to anyone other than Viacom for the inclusion of any matter as part of any film, television program or other production produced, distributed and/or developed by Viacom and/or any of its affiliated companies.

11. Equal Opportunity Employer; Employee Statement of Business Conduct.

You recognize that Viacom is an equal opportunity employer. You agree that you will comply with Viacom policies regarding employment practices and with applicable federal, state and local laws prohibiting discrimination on the basis of race, color, sex, religion, national origin, citizenship, age, marital status, sexual orientation, disability or veteran status. In addition, you agree that you will comply with the Viacom Employee Statement of Business Conduct.

12. Indemnification. Viacom hereby agrees that it shall indemnify and hold

you harmless to the maximum extent permitted by law. Neither the determination of Viacom, its Board of Directors, independent legal counsel or stockholders that you are not entitled to indemnification or the failure of any or all of them to make any determination regarding such entitlement shall create any presumption or inference that you have not met the applicable standard of conduct. If you have any knowledge of any actual or threatened action, suit or proceeding, whether civil, criminal, administrative or investigative, as to which you may request indemnity under this provision (a "Proceeding"), you will give Viacom prompt written notice thereof, provided that the failure to give

such notice shall not affect your right to indemnification. Viacom shall be entitled to assume the defense of any Proceeding and you will use reasonable efforts to cooperate with such defense. To the extent that you in good faith determine that there is an actual or potential conflict of interest between Viacom and you in connection with the defense of a Proceeding, you shall so notify Viacom and shall be entitled to separate representation by counsel selected by you (provided that Viacom may reasonably object to the selection of counsel within five (5) business days after notification thereof) which counsel shall cooperate, and coordinate the defense, with Viacom's counsel and minimize the expense of such separate representation to the extent consistent with your separate defense. Viacom shall not be liable for any settlement of any Proceeding effected without its prior written consent. You shall be entitled to advancement of expenses incurred by you in defending any Proceeding upon receipt of an undertaking by you or on your behalf to repay such amount if it shall ultimately be determined that you are not entitled to be indemnified by Viacom.

13. Notices. All notices under this Agreement must be given in writing, by

personal delivery or by mail, at the parties' respective addresses shown on this Agreement (or any other address designated in writing by either party), with a copy, in the case of Viacom, to the attention of the General Counsel of Viacom. Any notice given by mail shall be deemed to have been given three days following such mailing.

14. Assignment. This is an Agreement for the performance of personal

services by you and may not be assigned by you or Viacom except that Viacom may assign this Agreement to any affiliated company or any successor in interest to Viacom.

15. NEW YORK LAW, ETC. YOU ACKNOWLEDGE THAT THIS AGREEMENT HAS BEEN

EXECUTED, IN WHOLE OR IN PART, IN NEW YORK, AND YOUR EMPLOYMENT DUTIES ARE
PRIMARILY PERFORMED IN NEW YORK. ACCORDINGLY, YOU AGREE THAT THIS AGREEMENT AND
ALL MATTERS OR ISSUES ARISING OUT OF OR RELATING TO YOUR VIACOM EMPLOYMENT SHALL
BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS ENTERED
INTO AND PERFORMED ENTIRELY THEREIN. ANY ACTION TO ENFORCE THIS AGREEMENT SHALL
BE BROUGHT SOLELY IN THE STATE OR FEDERAL COURTS LOCATED IN THE CITY OF NEW
YORK, BOROUGH OF MANHATTAN.

16. No Implied Contract. Nothing contained in this Agreement shall be

construed to impose any obligation on Viacom or you to renew this Agreement or
any portion thereof. The parties intend to be bound only upon execution of a
written agreement and no negotiation, exchange of draft or partial performance
shall be deemed to imply an agreement. Neither the continuation of employment
nor any other conduct shall be deemed to imply a continuing agreement upon the
expiration of the Term.

17. Entire Understanding. This Agreement contains the entire understanding

of the parties hereto relating to the subject matter contained in this
Agreement, and can be changed only by a writing signed by both parties.

18. Void Provisions. If any provision of this Agreement, as applied to

either party or to any circumstances, shall be found by a court of competent
jurisdiction to be unenforceable but would be enforceable if some part were
deleted or the period or area of application were reduced, then such provision
shall apply with the modification necessary to make it enforceable, and shall in
no way affect any other provision of this Agreement or the validity or
enforceability of this Agreement.

19. Supersedes Prior Agreements. With respect to the period covered by the

Term, this Agreement supersedes and cancels all prior agreements relating to
your employment by Viacom or any of its affiliated companies.

If the foregoing correctly sets forth our understanding, please sign, date
and return all three (3) copies of this Agreement to the undersigned for
execution on behalf of Viacom; after this Agreement has been executed by Viacom
and a fully-executed copy returned to you, it shall constitute a binding
agreement between us.

Very truly yours,

VIACOM INC.

By: /s/ Mel Karmazin

Name: Mel Karmazin
Title: President and Chief Operating
Officer

ACCEPTED AND AGREED:

/s/ William A. Roskin

- -----
William A. Roskin

Dated: September 14, 2000

As of May 25, 2000

Mr. Leslie Moonves

Re: Employment Agreement

Dear Mr. Moonves:

Reference is hereby made to the employment agreement dated as of May 17, 1995, as amended as of June 29, 1995, October 16, 1995, January 20, 1998 and July 5, 1999 (collectively the "Agreement") between you and us, in connection with your services for CBS.

You and we have agreed, and do hereby agree, to amend the Agreement as follows, effective May 25, 2000:

1. Subparagraph 1(b) of the Agreement is hereby deleted and, in lieu thereof, is replaced with the following:

"(b) Executive shall report directly and only to the person who is the Chief Executive Officer of Viacom Inc. ("Viacom"); provided, however, that Executive may report directly to the person who is the Chief Operating Officer of Viacom if that person is Mel Karmazin."

2. Subparagraph 1(d) of the Agreement is hereby deleted and, in lieu thereof, is replaced with the following:

"So long as this Agreement is not terminated pursuant to paragraph 7 below and Executive is rendering services hereunder, Executive shall provide executive services to CBS in the manner determined by the person who is the Chief Executive Officer of Viacom or the Chief Operating Officer of Viacom if the Chief Operating Officer is Mel Karmazin."

3. Subparagraph 2(b)(ii) of the Agreement is hereby amended by deleting the reference to the "Compensation Committee of the CBS Board of Directors" and, in lieu thereof, inserting the "Compensation Committee of the Viacom Board of Directors." The remainder of said paragraph shall remain unchanged.

4. Paragraph 15 of the Agreement is hereby amended by deleting, in the second sentence of said paragraph, the reference to "Louis J. Briskman, Executive Vice President and General Counsel" and, in lieu thereof, inserting "Michael D. Fricklas, Executive Vice President, General Counsel and Secretary". The remainder of said paragraph (including said second sentence) shall remain unchanged.

5. Paragraph 16 of the Agreement is hereby amended by deleting the reference to the "Compensation Committee of the CBS Board of Directors" and, in lieu thereof, inserting the "Compensation Committee of the Viacom Board of Directors" and by adding the following additional grammatical paragraphs at the end of said paragraph 16:

"Executive hereby acknowledges that on or about January 26, 2000, he was granted non-qualified stock options to purchase an aggregate of 250,000 shares of common stock of CBS Corporation under the Plan, as defined above in this paragraph 16. Such stock option grant is reflected in and governed by a stock option agreement executed by CBS Corporation and Executive whose terms are consistent with the terms of the stock option agreements applicable to the prior grants by CBS to Executive of 500,000 options on June 17, 1997, 290,000 options on July 28, 1997, 250,000 options on January 26, 1999 and 1,000,000 options on June 14, 1999.

In addition to the foregoing, Viacom has granted to Executive non-qualified stock options to purchase an aggregate of 750,000 shares of Viacom Class B common stock (the "Viacom Stock Options") under the Viacom 2000 Long-Term Management Incentive Plan (the "2000 LTMIP"). The Viacom Stock Options have an exercise price per share of \$54.0625, the fair market value (as defined in the 2000 LTMIP) of the Viacom Class B common stock on the grant date (May 25, 2000). Thirty-three and one-third percent of the Viacom Stock Options shall vest on the first, second and third anniversaries of the date of grant. The Viacom Stock Options will expire on May 25, 2010 (the "Expiration Date"). If Executive's active employment with Viacom or any of its subsidiaries

terminates for any reason other than for cause, the Viacom Stock Options will be exercisable in accordance with the following provisions: (i) if Executive dies, his outstanding Viacom Stock Options (including any Viacom Stock Options that have not vested by the date of death) may be exercised by the person who acquires the right to exercise such Viacom Stock Options until the earlier of two (2) years after the date of death or the Expiration Date; (ii) if Executive's employment is terminated by CBS other than for disability or for cause or Executive terminates his employment for Good Reason, his outstanding Viacom Stock Options (including any Viacom Stock Options that have not vested by the termination date) can be exercised by Executive until the earlier of three (3) years after the termination date or the Expiration Date; (iii) in the event of Executive's Retirement (as defined in the 2000 LTMIP), any outstanding Viacom Stock Options that had vested prior to the date of his Retirement may be exercised by Executive until the Expiration Date; (iv) in the event of Executive's Permanent Disability (as defined in the 2000 LTMIP), any outstanding Viacom Stock Options that had vested prior to the date of the onset of Permanent Disability can be exercised by Executive until the earlier of two (2) years after such date or the Expiration Date; or (v) if Executive's employment terminates for any reason other than for cause or as a result of death, termination by CBS other than for disability or for cause or termination by Executive for Good Reason, Retirement or Permanent Disability, any outstanding Viacom Stock Options that had vested by the date of such termination of employment can be exercised by Executive until the earlier of six (6) months after the date of termination or the Expiration Date. The grant of the Viacom Stock Options shall be reflected in and governed by a stock option agreement to be executed by Viacom and provided to Executive upon his execution of the letter agreement dated as of May 25, 2000 amending this agreement. In the event of any inconsistency between the provisions of the stock option agreement and the provisions of such letter agreement relating to the Viacom Stock Options, the provisions of such letter agreement shall control."

Except as expressly provided hereinabove in this amendatory letter agreement, all of the other terms and conditions of the Agreement, as amended (including by the Amendment) shall remain unchanged and are hereby in all respects ratified and confirmed.

Please indicate your agreement to the foregoing by signing in the space provided below and delivering a copy of this amendatory letter agreement, bearing your signature, to the undersigned.

Very truly yours,

CBS BROADCASTING INC.

By: /s/ William A. Roskin

Name: William A. Roskin
Title: Senior Vice President
Human Resources and
Administration

ACCEPTED AND AGREED:

/s/ Leslie Moonves

- -----
Leslie Moonves

Dated: 8/30/00

CBS CORPORATION

DEFERRED COMPENSATION AND STOCK PLAN
FOR DIRECTORS

(as amended as of February 24, 2000)

Section 1. Introduction

1.1 Establishment. CBS Corporation, a Pennsylvania corporation formerly known as Westinghouse Electric Corporation (the "Company" or "CBS"), has established the Deferred Compensation and Stock Plan for Directors, as amended from time to time (the "Plan"), for those directors of the Company who are neither officers (other than non-executive officers) nor employees of the Company. The Plan provides, among other things, for the payment of specified portions of the Annual Director's Fee and the Annual Board Chairman's Fee, if applicable, in the form of Stock Options and Restricted Stock, the payment of the Annual Committee Chair's Fee in the form of Restricted Stock, the granting of Stock Options and Restricted Stock as additional Director compensation, and the opportunity for the Directors to defer receipt of all or a part of their cash compensation. Unless otherwise provided for herein, the term Company includes CBS Corporation and its subsidiaries.

1.2 Purposes. The purposes of the Plan are to encourage the Directors to own shares of the Company's stock and thereby to align their interests more closely with the interests of the other shareholders of the Company, to encourage the highest level of Director performance, and to provide a financial incentive that will help attract and retain the most qualified Directors.

Section 2. Definitions

2.1 Definitions. The following terms will have the meanings set forth below:

- o "Annual Board Chairman's Fee" means the annual amount (which may be prorated) established from time to time by the Board as the annual fee to be paid to the Board Chairman, if any, for his or her services as Board Chairman.
- o "Annual Committee Chair's Fee" means the annual amount (which may be prorated for a Director serving as a committee chair for less than a full year) established from time to time by the Board as the annual fee to be paid to Directors for their services as chairs of standing committees of the Board.
- o "Annual Director's Fee" means the annual amount (which may be prorated for a Director serving less than a full calendar year, as in the case of a Director who will be retiring or not standing for reelection at the annual meeting of shareholders or a Director joining the Board (or otherwise first becoming a Director) after the beginning of the year) established from time to time by the Board as the annual fee to be paid to Directors for their services as directors.

- o "Attendance Percentage" for a Director with respect to a particular Grant Year means the percentage of the aggregate of all meetings of the Board and committees of which the Director was a member held during the Grant Year (or, for Directors who join the Board or otherwise first become Directors after the beginning of the Grant Year, Directors who retire at the annual meeting of shareholders (as described in the Company's By-laws) held during the Grant Year, Directors who do not stand for reelection at the annual meeting of shareholders held during the Grant Year, or Directors who die during the Grant Year, the aggregate of all such meetings held for the portion of the Grant Year during which the Director served as a director), excluding any meeting(s) not attended because of illness, travel conditions, or other excused absences, which were attended by the Director. Except as otherwise provided below, in the event that a Director ceases to be a director at any time during the Grant Year for any reason other than retirement at the annual meeting of shareholders, not standing for reelection at the annual meeting of shareholders, or death, all meetings held during the Grant Year of the Board and committees of which he was a member at the time of termination of service will continue to be included as meetings when calculating the Attendance Percentage.
- o "Board" means the Board of Directors of the Company.
- o "Board Chairman" means the director who is the non-employee, non-executive chairman of the Board, if any.
- o "Cash Account" means the account established by the Company in respect of each Director pursuant to Section 6.3(a) hereof and to which deferred cash compensation has been or will be credited pursuant to the Plan.
- o "Cause" means any act of (i) fraud or intentional misrepresentation or (ii) embezzlement, misappropriation or conversion of assets or opportunities of the Company or any of its direct or indirect majority-owned subsidiaries.
- o "CBS" or "Company" means CBS Corporation, a Pennsylvania corporation, and its successors.
- o "CBS/Viacom Merger" means the merger of CBS Corporation and Viacom Inc.
- o "Change in Control" will have the meaning assigned to it in Section 9.2 hereof.
- o "Committee" means the Compensation Committee of the Board (or any subcommittee thereof) or any successor committee established by the Board, or any subcommittee thereof, in each case consisting of two or more members each of whom is a "non-employee director" as that term is defined by Rule 16b-3 under the Exchange Act, as such rule may be amended, or any successor rule.

- o "Common Stock Equivalent" means a hypothetical share of Stock which will have a value on any date equal to the mean of the high and low prices of the Stock as reported by the composite tape of the New York Stock Exchange on that date, except as otherwise provided under Section 9.1.
- o "Common Stock Equivalent Award" means an award of Common Stock Equivalents granted to a Director pursuant to Section 5 of the Plan prior to its amendment as of April 26, 1995.
- o "Debenture" means a hypothetical debenture of the Company that has a face value of \$100, bears interest at a rate equal to the ten-year U.S. Treasury Bond rate (prior to January 1, 1995, the seven-year U.S. Treasury Bond rate) in effect the week prior to the regular January meeting of the Board (or, if no such meeting is held, the week prior to the first trading day of the New York Stock Exchange in February) in the year in respect of which deferred amounts are earned, and is convertible into Stock at a conversion rate determined by dividing \$100 by the mean of the high and low prices of the Stock as reported by the composite tape of the New York Stock Exchange on the date the Debenture is credited to the Deferred Debenture Account pursuant to Section 6.3 hereof.
- o "Deferred Debenture Account" means the account established by the Company pursuant to Section 6.3(c) hereof in respect of each Director electing to defer cash compensation under the Plan for 1997 and/or for an earlier year or years and to which has been or will be credited Debentures and other amounts pursuant to the Plan.
- o "Deferred Stock Account" means the account established by the Company in respect of each Director pursuant to Section 5.2 hereof and to which has been or will be credited Common Stock Equivalents pursuant to the Plan.
- o "Director" means a member of the Board who is neither an officer nor an employee of the Company. For purposes of the Plan, an employee is an individual whose wages are subject to the withholding of federal income tax under Section 3401 of the Internal Revenue Code, and an officer is an individual elected or appointed by the Board or chosen in such other manner as may be prescribed in the By-laws of the Company to serve as such, other than a non-executive officer (such as the Board Chairman).
- o "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.
- o "Fair Market Value" means the mean of the high and low prices of the Stock as reported by the composite tape of the New York Stock Exchange (or such successor reporting system as the Committee may select) on the relevant date or, if no sale of the Stock has been reported for that day, the average of such prices on the next preceding day and the next following day for which there were reported sales.

- o "Grant Date" means, as to a Stock Option Award, the date of grant pursuant to Section 7.1 and as to a Restricted Stock Award, the date of grant pursuant to Section 8.1.
- o "Grant Year" means, as to a particular award, the calendar year in which the award was granted; provided, however, for the year 2000, Grant Year will mean the calendar year 2000 or the period from January 1, 2000 to and including the effective date of the CBS/Viacom Merger, whichever is shorter.
- o "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended from time to time.
- o "Option Vesting Date" will have the meaning assigned to it in Section 7.2.
- o "Restricted Stock" means shares of Stock awarded to a Director pursuant to Section 8 and subject to certain restrictions in accordance with the Plan.
- o "Restricted Stock Award" means an award of shares of Restricted Stock granted to a Director pursuant to Section 8 of the Plan.
- o "Stock" means the common stock, \$1.00 par value, of the Company.
- o "Stock Option" means a non-statutory stock option to purchase shares of Stock for a purchase price per share equal to the Exercise Price (as defined in Section 7.2(a)) in accordance with the provisions of the Plan.
- o "Stock Option Award" means an award of Stock Options granted to a Director pursuant to Section 7 of the Plan.
- o "Stock Option Value" means the value of a Stock Option for one share of Stock on the relevant date as determined by the Company.
- o "Viacom" means Viacom Inc. and its successors.

2.2 Gender and Number. Except when otherwise indicated by the context, the masculine gender will also include the feminine gender, and the definition of any term herein in the singular will also include the plural.

Section 3. Plan Administration

(a) The Plan will be administered by the Committee. The members of the Committee will be members of the Board appointed by the Board, and any vacancy on the Committee will be filled by the Board or in a manner authorized by the Board.

The Committee will keep minutes of its meetings and of any action taken by it without a meeting. A majority of the Committee will constitute a quorum, and the acts of a majority of the

members present at any meeting at which a quorum is present will be the acts of the Committee. Any action that may be taken at a meeting of the Committee may be taken without a meeting if a consent or consents in writing setting forth the action so taken is signed by all of the members of the Committee. The Committee will make appropriate reports to the Board concerning the operations of the Plan.

(b) Subject to the limitations of the Plan, the Committee and/or the Board, will have the sole and complete authority: (i) to impose such limitations, restrictions and conditions upon such awards as it deems appropriate; (ii) to interpret the Plan and to adopt, amend and rescind administrative guidelines and other rules and regulations relating to the Plan; and (iii) to make all other determinations and to take all other actions necessary or advisable for the implementation and administration of the Plan. The Committee's or the Board's determinations on matters within its authority will be conclusive and binding upon the Company and all other persons.

(c) The Company will be the sponsor of the Plan. All expenses associated with the Plan will be borne by the Company.

Section 4. Stock Subject to the Plan

4.1 Number of Shares. 600,000 shares of Stock are authorized for issuance under the Plan in accordance with the provisions of the Plan, subject to adjustment and substitution as set forth in this Section 4. This authorization may be increased from time to time by approval of the Board and, if such approval is required, by the shareholders of the Company. The Company will at all times during the term of the Plan retain as authorized and unissued Stock at least the number of shares from time to time required under the provisions of the Plan, or otherwise assure itself of its ability to perform its obligations hereunder.

4.2 Other Shares of Stock. Any shares of Stock that are subject to a Common Stock Equivalent Award, a Stock Option Award, a Restricted Stock Award or a Debenture and which are forfeited, any shares of Stock that for any other reason are not issued to a Director, and any shares of Stock tendered by a Director to pay the Exercise Price of a Stock Option will automatically become available again for use under the Plan if Rule 16b-3 under the Exchange Act, as such rule may be amended, or any successor rule, and interpretations thereof by the Securities and Exchange Commission or its staff permit such share replenishment.

4.3 Adjustments Upon Changes in Stock. If there is any change in the Stock and/or in the corporate structure of the Company, through merger, consolidation, division, share exchange, combination, reorganization, recapitalization, stock dividend, stock split, spin-off, split up, dividend in kind or other change in the corporate structure or distribution to the shareholders, appropriate adjustments may be made by the Committee (or, if the Company is not the surviving corporation in any such transaction, the board of directors of the surviving corporation) in the aggregate number and kind of shares subject to the Plan, and the number and kind of shares which may be issued under the Plan. Appropriate adjustments may also be made by the Committee in the terms of any awards or Debentures under the Plan to reflect such changes and to modify any other terms of outstanding awards on an equitable basis as the Committee in its discretion determines.

Section 5. Common Stock Equivalent Awards

5.1 Grants of Common Stock Equivalent Awards. Common Stock Equivalents equal to a fixed number of shares of Stock were granted automatically to Directors on a formula basis under Section 5.1 of the Plan prior to its amendment as of April 26, 1995. All Common Stock Equivalents granted pursuant to Section 5.1 prior to its amendment as of April 26, 1995 are subject to adjustment as provided in Section 4.3.

5.2 Deferred Stock Account. A Deferred Stock Account has been established for each Director elected prior to the annual meeting of shareholders held in 1995. The Deferred Stock Account consists of compensation in the form of Common Stock Equivalents which have been awarded to the Director hereunder by the Company plus Common Stock Equivalents credited to the Deferred Stock Account in respect of dividends and other distributions on the Stock pursuant to Sections 5.3 and 5.4.

5.3 Hypothetical Investment. Compensation awarded hereunder in the form of Common Stock Equivalents is assumed to be a hypothetical investment in shares of Stock, and is subject to adjustment to reflect stock dividends, splits and reclassifications and as otherwise set forth in Section 4.3.

5.4 Hypothetical Dividends. Dividends and other distributions on Common Stock Equivalents will be deemed to have been paid as if such Common Stock Equivalents were actual shares of Stock issued and outstanding on the respective record or distribution dates. Common Stock Equivalents will be credited to the Deferred Stock Account in respect of cash dividends and any other securities or property issued on the Stock in connection with reclassifications, spin-offs and the like on the basis of the value of the dividend or other asset distributed and the value of the Common Stock Equivalents on the date of the announcement of the dividend or asset distribution, all at the same time and in the same amount as dividends or other distributions are paid or issued on the Stock. Such Common Stock Equivalents are subject to adjustment as provided in Section 4.3. Fractional shares will be credited to a Director's Deferred Stock Account cumulatively but the balance of shares of Common Stock Equivalents in a Director's Deferred Stock Account will be rounded to the next highest whole share for any payment to such Director pursuant to Section 5.6.

5.5 Statement of Account. A statement will be sent to each Director as to the balance of his Deferred Stock Account at least once each calendar year.

5.6 Payment of Deferred Stock. Unless the Board or the Committee determines otherwise, upon termination of services as a Director, the balance of the Director's Deferred Stock Account will be paid to such Director in Stock in January of the year following the year of termination of services as a director or, as elected by such Director in writing, in five, ten or fifteen consecutive annual installments beginning in January of the year following the year of termination of services as a director, on the basis of one share of Stock for each Common Stock Equivalent in such Director's Deferred Stock Account. For purposes of this Section 5.6, if a CBS director becomes a Viacom director on the effective date of the CBS/Viacom Merger, he or she will not be deemed to have terminated service as a director until he or she terminates service as a director of Viacom.

5.7 Payments to a Deceased Director's Estate. In the event of a Director's death before the balance of his or her Deferred Stock Account is fully paid to the Director, payment of the balance of the Director's Deferred Stock Account will then be made to the beneficiary properly designated by the Director pursuant to Section 5.8, if any, or to his or her estate in the absence of such a beneficiary designation, in the time and manner selected by the Committee. The Committee may take into account the application of any duly appointed administrator or executor of a Director's estate and direct that the balance of the Director's Deferred Stock Account be paid to his or her estate in the manner requested by such application.

5.8 Designation of Beneficiary. A Director may designate a beneficiary in the event of the Director's death in a form approved by the Company.

Section 6. Deferral of Compensation

6.1 Amount of Deferral. A Director may elect to defer receipt of all or a specified portion of the cash compensation otherwise payable to the Director for services rendered to the Company in any capacity as a director.

6.2 Manner of Electing Deferral. A Director will make elections permitted hereunder by giving written notice to the Company in a form approved by the Committee and in compliance with Section 6.4. The notice will include: (i) the percentage of cash compensation to be deferred, which amount must be stated in whole increments of five percent; and (ii) the time as of which deferral is to commence.

6.3 Accounts.

(a) Cash Account. A Cash Account has been or will be established for each Director electing to defer hereunder. Each Cash Account will be credited with the amounts deferred on the date such compensation is otherwise payable and will be debited with the amount of any such compensation forfeited in accordance with applicable Board policy.

(b) Interest. Deferred amounts in the Cash Account will accrue interest from time to time as follows:

(1) Pre-1998. For deferred amounts credited to the Cash Account prior to January 1, 1998 (including but not limited to Annual Director's Fees for the calendar year 1997), such deferred amounts will accrue interest from time to time at a rate equal to the ten-year U.S. Treasury Bond rate (prior to January 1, 1995, the seven-year U.S. Treasury Bond rate) in effect the week prior to the regular January meeting of the Board (or, if no such meeting is held, the week prior to the first trading day of the New York Stock Exchange in February) in the year in respect of which such deferred amounts are earned until the last trading day of the New York Stock Exchange prior to the regular January meeting of the Board (or, if no such meeting is held, until the first trading day of February) in the year following the year in respect of which deferred amounts are earned, at which time such deferred amounts, including interest, will be invested in Debentures and credited to the Deferred Debenture Account. Deferred amounts will be credited to the Deferred Debenture Account only in \$100 amounts. Fractional amounts of \$100 will remain in the Cash Account and continue to accrue interest.

(2) 1998 and Thereafter. For deferred amounts credited to the Cash Account on or after January 1, 1998 (and any fractional amounts remaining in the Cash Account from prior deferrals), unless otherwise determined by the Board or the Committee prior to the deferral date such deferred amounts will accrue interest from time to time at the Interest Credit Rate then in effect, compounded annually. The "Interest Credit Rate" will be reset by the Company on an annual basis in January of the year, and will equal the then current one-year U.S. Treasury Bill rate or such other fixed rate as the Committee may from time to time determine.

(c) Deferred Debenture Account. A Deferred Debenture Account has been established for each Director electing to defer cash compensation hereunder for the calendar year 1997 and/or for an earlier year or years. Deferred amounts credited to the Cash Account prior to January 1, 1998 will be invested in Debentures and credited to the Deferred Debenture Account at the time and in the manner set forth in Section 6.3(b)(1). Deferred amounts credited to the Cash Account on or after January 1, 1998 will not be invested in Debentures but will remain in the Cash Account and accrue interest until payment hereunder.

6.4 Time for Electing Deferral. Any election to (i) defer cash compensation, (ii) alter the portion of such amounts deferred, or (iii) revoke an election to defer such amounts, must be made prior to the time such compensation is earned by the Director and otherwise in compliance with any deadline which the Company may from time to time impose and in the manner set forth in Section 6.2.

6.5 Payment of Deferred Amounts. Unless the Board or the Committee determines otherwise, upon termination of services as a Director, payments from a Deferred Debenture

Account and/or from a Cash Account will be made in five consecutive annual installments beginning in the January following the Director's termination of service or, if elected by such Director in writing, such payments may be made in ten or fifteen consecutive annual installments or may be made in lump sum in the January following the Director's termination of services. For purposes of this Section 6.5, if a CBS director becomes a Viacom director on the effective date of the CBS/Viacom Merger, he or she will not be deemed to have terminated service as a Director until he or she terminates service as a director of Viacom.

Payments from a Deferred Debenture Account will consist of accumulated interest on the Debentures (which amount will only be payable in cash) plus the greater value of (i) the face value of the Debentures or (ii) the shares of Stock into which the Debentures are convertible. In the event the value of the payment is determined by the amount referred to in clause (i), payment will be made in cash. In the event such value is determined by clause (ii), such payment will be made in Stock, other than the value of fractional shares which will be paid in cash.

Payments from a Cash Account will consist of the deferred cash compensation and accumulated interest in said account and will be made in cash.

6.6 Payments to a Deceased Director's Estate. In the event of a Director's death before the balance of his or her Cash Account or Deferred Debenture Account is fully paid to the Director, payment of the balance of the Cash Account or Deferred Debenture Account will then be made to the beneficiary properly designated by the Director pursuant to Section 6.7, if any, or to his or her estate in the absence of such a beneficiary designation, in the time and manner selected by the Committee. The Committee may take into account the application of any duly appointed administrator or executor of a Director's estate and direct that the balance of the Director's Cash Account or Deferred Debenture Account be paid to his or her estate in the manner requested by such application.

6.7 Designation of Beneficiary. A Director may designate a beneficiary in the event of the Director's death in a form approved by the Company.

Section 7. Stock Option Awards

7.1 Grants of Stock Option Awards.

(a) For calendar year 1995, Stock Options for a fixed number of shares of Stock were granted automatically to Directors on a formula basis under Section 7.1(a) of the Plan.

(b) For calendar year 1995, Stock Options for a fixed number of shares of Stock were granted automatically on a formula basis under Section 7.1(b) of the Plan to Directors serving as chairs of standing committees of the Board.

(c) For calendar years 1996 and 1997, Stock Options were granted automatically under Section 7.1(c) of the Plan to Directors for one-fourth of the value of their Annual Director's Fees.

(d) Annual Director's Fee Grants. Beginning with calendar year 1998, unless otherwise determined by the Board or the Committee each Director will receive 5/16ths (31.25%) of the value of his or her Annual Director's Fee in the form of a Stock Option Award. Such Stock Options will be granted automatically each year on the last Wednesday in January of such year to each Director in office on such Grant Date.

If a person joins the Board or otherwise first becomes a Director at any time after the last Wednesday in January of a given calendar year (beginning with 1998) but before the end of that calendar year, whether by action of the shareholders of the Company or the Board or otherwise, unless otherwise determined by the Board or the Committee such person upon becoming a Director will be granted automatically 5/16ths (31.25%) of the value of his or her Annual Director's Fee for that calendar year (which may be prorated) in the form of a Stock Option Award on the last Wednesday of the calendar month in which such person first becomes a Director (or in the next following calendar month if such person first becomes a Director after the last Wednesday of the month). The total number of shares of Stock subject to any such Stock Option Award will be the number of shares determined by dividing the amount of the Annual Director's Fee to be paid in the form of a Stock Option Award by the Stock Option Value on the Grant Date, rounded up to the nearest whole share.

(e) Annual Board Chairman's Fee Grants. Beginning with calendar year 1999, unless otherwise determined by the Board or the Committee, the Board Chairman, if any, will receive 5/16ths (31.25%) of the value of his or her Annual Board Chairman's Fee in the form of a Stock Option Award, and such Stock Options will be granted automatically each year on the last Wednesday in January of such year to the Board Chairman in office on such Grant Date, if any.

If a director becomes Board Chairman at any time after the last Wednesday in January of a given calendar year (beginning with calendar year 1999) but before the end of that calendar year, whether by action of the Board or otherwise, unless otherwise determined by the Board or the Committee such director upon so becoming the Board Chairman will be granted automatically 5/16ths (31.25%) of the value of his or her Annual Board Chairman's Fee for that calendar year (which may be prorated) in the form of a Stock Option Award on the last Wednesday of the calendar month in which such person first becomes Board Chairman (or in the next following calendar month if such person first becomes Board Chairman after the last Wednesday of the month). The total number of shares of Stock subject to any such Stock Option Award will be the number of shares determined by dividing the amount of the Annual Board Chairman's Fee to be paid in the form of a Stock Option Award by the Stock Option Value on the Grant Date, rounded up to the nearest whole share.

(f) Other Stock Option Grants. Beginning with calendar year 1999, the Board or the Committee may, from time to time, grant Stock Option Awards to one or more Directors or to the Board Chairman for such number of shares as the Board or the Committee may determine as additional compensation to such Director or Directors or to such Board Chairman for their services as such.

(g) All Stock Options granted pursuant to Section 7.1 are subject to adjustment as provided in Section 4.3.

7.2 Terms and Conditions of Stock Options. Unless otherwise determined by the Board or the Committee, Stock Options granted under the Plan will be subject to the following terms and conditions:

(a) Exercise Price. Beginning with Stock Options granted in calendar year 1998 and thereafter, the purchase price per share at which a Stock Option may be exercised ("Exercise Price") will be equal to the Fair Market Value of a share of Stock on the Grant Date. Notwithstanding anything herein to the contrary, in no event may the Board or the Committee establish an Exercise Price that is less than the Fair Market Value of a share of Stock on the Grant Date.

For Stock Options granted in 1995, 1996 and 1997, the Exercise Price was determined as follows: on any Grant Date, (1) Stock Options for two-thirds of the option shares granted on the Grant Date had an Exercise Price per share equal to 100% of the Fair Market Value of a share of Stock on the Grant Date; and (2) Stock Options for the remaining one-third of the option shares granted on the Grant Date had an Exercise Price per share equal to 125% of the Fair Market Value of a share of Stock on the Grant Date.

(b) Exercisability. Subject to the terms and conditions of the Plan and of the agreement referred to in Section 7.2(j), a Stock Option may be exercised in whole or in part upon notice of exercise to the Company: (1) as to any Stock Option granted in calendar year 1995, commencing on the first day after the Grant Date and until it terminates; and (2) as to any Stock Option granted after January 1, 1996 that vests as provided in Section 7.2(c)(2), 7.2(c)(3) or 7.2(c)(4), commencing on January 1 of the calendar year next following the Grant Year (the "Option Vesting Date") or, if so provided in the relevant Stock Option Agreement, upon the occurrence of a Change in Control, if earlier, and until it terminates. During a Director's lifetime, a Stock Option may be exercised only by the Director or the Director's guardian or legal representative. The Committee or the Board may at any time and from time to time accelerate the time at which all or any part of a Stock Option may be exercised.

(c) Vesting of Stock Option Awards.

(1) Stock Options granted in calendar year 1995 vested immediately on grant.

(2) Annual Director's Fee Grants. Except as otherwise set forth in Section 7.1(c)(4), Stock Options granted as part of a Director's Annual Director's Fee after January 1, 1996 will vest on the Option Vesting Date if the Director has an Attendance Percentage of at least seventy-five percent (75%) for the Grant Year. The Committee or the Board may at any time or from time to time accelerate the vesting of all or any part of a Stock Option.

In the event that a Director has an Attendance Percentage of less than seventy-five percent (75%) for a Grant Year, Stock Options granted in that Grant Year for a number of shares equal to the Director's Attendance Percentage for that year multiplied by the total number of option shares granted for that year (rounded up to the nearest whole share) will vest on the Option Vesting Date, and Stock Options granted in that Grant Year as to the remaining option shares will be forfeited and will terminate as of the Option Vesting Date.

(3) Annual Board Chairmen's Fee Grants and Other Grants. Except as otherwise set forth in Section 7.1(c)(4), Stock Options granted as part of an Annual Board Chairman's Fee, if any, or granted to a Director or to the Board Chairman, if any, pursuant to Section 7.1(f) will vest on the Option Vesting Date.

(4) Notwithstanding anything to the contrary herein, (i) in the event that a director is removed for Cause from office as a director of the Company (and/or, in the case of Stock Options granted to a director in his or her capacity as Board Chairman, from office as Board Chairman, if applicable), all outstanding Stock Options will be forfeited immediately as of the time the grantee is so removed from office, (ii) if so provided in the relevant Stock Option Agreement or if the Committee or the Board so determines with respect to a Stock Option or Options, upon the occurrence of a Change in Control, all such outstanding Stock Options will vest and become immediately exercisable, and (iii) for any Director who, at the effective date of the CBS/Viacom Merger is not a director of Viacom, Stock Options granted in calendar year 2000 as part of such Director's Annual Director's Fee and Stock Options granted in calendar year 2000 to such Director, if any, pursuant to Section 7.1(f) will vest and become immediately exercisable at the effective time of the CBS/Viacom Merger.

(d) Mandatory Holding of Stock. Except as otherwise provided in Section 7.5 or Section 10 or unless waived by the Committee or the Board, any Stock acquired on exercise of a Stock Option must be held by the grantee for a minimum of: (1) three years from the date of exercise; (2) two years from the date the grantee ceases to be a director of the Company; or (3) if so provided in the relevant Stock Option Agreement or if the Committee or the Board so determines with respect to a Stock Option or Options, until the occurrence of a Change in Control, whichever first occurs (the "Option Shares Holding Period"). Notwithstanding the foregoing or anything to the contrary contained in any Stock Option agreement, upon the effective time of the CBS/Viacom Merger, the Option Shares Holding Period for any Stock acquired or to be acquired on exercise of a Stock Option shall terminate.

(e) Option Term. The term of a Stock Option (the "Option Term") will be the shorter of: (1) the period of ten years from its Grant Date; (2) the period from the Grant Date until the Option Vesting Date for a Stock Option that does not vest and is terminated on said date as provided in Section 7.2(c)(2), if applicable (or with respect to any portion of a Stock Option that does not vest on the Option Vesting Date and is terminated as provided in Section 7.2(c)(2), if applicable); (3) the period from the Grant Date until the time the Stock Option is forfeited as provided in Section 7.2(c)(4)(i) in the event a director is removed from office as a director of the Company and/or as Board Chairman, if applicable, for Cause; or (4) the period from the Grant Date until the date the Stock Option ceases to be exercisable as provided in Section 7.2(h).

(f) Payment of Exercise Price. Stock purchased on exercise of a Stock Option must be paid for as follows: (1) in cash or by check (acceptable to the Company), bank draft or money order payable to the order of the Company, (2) through the delivery of shares of Stock which are then outstanding and which have a Fair Market Value on the date of exercise equal to the Exercise Price per share multiplied by the number of shares as to which the Stock Option is being exercised (the "Aggregate Exercise Price"); (3) by delivery of an unconditional and irrevocable undertaking by a broker to deliver promptly to the Company sufficient funds to pay the Aggregate Exercise Price, or (4) by a combination of the permissible forms of payment; provided, however, that any portion of the Exercise Price representing a fraction of a share must be paid in cash and no share of Stock held for less than six months may be delivered in payment of the Aggregate Exercise Price.

(g) Rights as a Shareholder. The holder of a Stock Option will not have any of the rights of a shareholder with respect to any shares of Stock subject to the Stock Option until such shares are issued by the Company following the exercise of the Stock Option.

(h) Termination of Eligibility. If a grantee ceases to be a director and/or ceases to be Board Chairman, if applicable, for any reason, any outstanding Stock Options will be exercisable according to the following provisions:

(1) If a grantee ceases to be a director and/or ceases to be Board Chairman, if applicable, for any reason other than removal for Cause or death, any outstanding Stock Options held by such grantee which are vested or which thereafter vest will be exercisable by the grantee in accordance with their terms at any time prior to the expiration of the Option Term;

(2) If a grantee is removed from office as a director of the Company and/or as Board Chairman, if applicable, for Cause, any outstanding vested Stock Options held by such grantee will be exercisable by the grantee in accordance with their terms at any time prior to the earlier of (a) the time the grantee is so removed from office and (b) the expiration of the Option Term; and

(3) Following the death of a grantee while a director and/or while Board Chairman, if applicable, or after the grantee ceased to be a director and/or ceased to be Board Chairman, if applicable, for any reason other than removal for Cause, any Stock Options that are outstanding and exercisable by such grantee at the time of death or which thereafter vest will be exercisable in accordance with their terms by the person or persons entitled to do so under the grantee's will, by a beneficiary properly designated by the director in the event of death pursuant to Section 7.4, if any, or by the person or persons entitled to do so under the applicable laws of descent and distribution at any time prior to the earlier of (a) the expiration of the Option Term and (b) two years after the date of death.

(i) Termination of Stock Option. A Stock Option will terminate on the earlier of (1) exercise of the Stock Option in accordance with the terms of the Plan, and (2) expiration of the Option Term as specified in Sections 7.2(e) and 7.2(h).

(j) Stock Option Agreement. All Stock Options will be confirmed by an agreement, or an amendment thereto, which will be executed on behalf of the Company by the Chief Executive Officer, the President or any Vice President and by the grantee.

(k) General Restrictions.

(1) The obligation of the Company to issue Stock pursuant to Stock Options under the Plan will be subject to the condition that, if at any time the Company determines that (a) the listing, registration or qualification of shares of Stock upon any securities exchange or under any state or federal law, or (b) the consent or approval of any government or regulatory body is necessary or desirable, then such Stock will not be issued unless such listing, registration, qualification, consent or approval has been effected or obtained free from any conditions not acceptable to the Company.

(2) Shares of Stock for use under the provisions of this Section 7 will not be issued until they have been duly listed, upon official notice of issuance, upon the New York Stock Exchange and such other exchanges, if any, as the Board may determine, and a registration statement under the Securities Act of 1933 with respect to such shares has become, and is, effective.

Subject to the foregoing provisions of this Section 7.2 and the other provisions of the Plan, any Stock Option granted under the Plan will be subject to such restrictions and other terms and conditions, if any, as the Board and/or the Committee may determine, in its or their discretion, and as are set forth in the agreement referred to in Section 7.2(j), or an amendment thereto; provided, however, that in no event will the Committee or the Board have any power or authority which would cause transactions pursuant to the Plan to cease to be exempt from the provisions of Section 16(b) of the Exchange Act pursuant to Rule 16b-3, as such rule may be amended, or any successor rule.

7.3 Annual Statement. A statement will be sent to each Director as to the status of his or her Stock Options at least once each calendar year.

7.4 Designation of a Beneficiary. A Director may designate a beneficiary to hold and exercise outstanding Stock Options in accordance with the Plan in the event of the Director's death in a form approved by the Company.

7.5 Holding Period Applicable to a Deceased Grantee's Estate. As long as at least six months have elapsed since the Grant Date, a beneficiary properly designated by the Director pursuant to Section 7.4, if any, or a person holding a Stock Option under a deceased grantee's will or under the applicable laws of descent or distribution, exercising a Stock Option in accordance with Section 7.2(h) will not be subject to the Holding Period with respect to shares of Stock received on exercise of a Stock Option.

Section 8. Restricted Stock Awards.

8.1 Grants of Restricted Stock Awards.

(a) Annual Director's Fee Grants. For calendar years 1996 and 1997, each Director received one-fourth of the value of his or her Annual Director's Fee in the form of a Restricted Stock Award.

Beginning with calendar year 1998, unless otherwise determined by the Board or the Committee each Director will receive 5/16ths (31.25%) of the value of his or her Annual Director's Fee in the form of a Restricted Stock Award, and such Restricted Stock will be granted automatically each year on the last Wednesday in January of such year to each Director in office on such Grant Date.

If a person joins the Board or otherwise first becomes a Director at any time after the last Wednesday in January of a given calendar year (beginning with 1998) but before the end of that calendar year, whether by action of the shareholders of the Company or the Board or otherwise, unless otherwise determined by the Board or the Committee such person upon becoming a Director will be granted automatically 5/16ths (31.25%) of the value of his or her Annual Director's Fee for that calendar year (which may be prorated) in the form of a Restricted Stock Award on the last Wednesday in the calendar month in which such person first becomes a Director (or in the next following calendar month if said person first becomes a Director after the last Wednesday of the month).

(b) Annual Committee Chair's Fee Grants. Beginning with calendar year 1996, unless otherwise determined by the Board or the Committee each Director who is the chair of a standing committee of the Board will receive the full value of his or her Annual Committee Chair's Fee in the form of a Restricted Stock Award, and such Restricted Stock will be granted automatically each year immediately following the annual meeting of shareholders and the organization meeting of the Board related to such annual meeting of shareholders, beginning with the annual meeting of shareholders and related organization meeting held in 1996, to each Director who is elected at such organization meeting to serve as the chair of a standing committee of the Board.

Beginning after the 1998 organization meeting of the Board, if a Director is elected to serve as the chair of a standing committee of the Board at any time after the organization meeting of the Board held in connection with the annual meeting of shareholders for a given year but before the next organization meeting of the Board is held, unless otherwise determined by the Board or the Committee such Director will, upon so becoming a committee chair, receive the value of his or her Annual Committee Chair's Fee for that year (which may be prorated) in the form of a Restricted Stock Award on the later of: (1) the last Wednesday in the calendar month in which such Director becomes a standing committee chair (or in the next following calendar month if said Director becomes a standing committee chair after the last Wednesday of the month); and (2) January 27, 1999.

(c) Annual Board Chairman's Fee Grants. Beginning with calendar year 1999, unless otherwise determined by the Board or the Committee, the Board Chairman, if any, will receive 5/16ths (31.25%) of the value of his or her Annual Board Chairman's Fee in the form of a Restricted Stock Award, and such Restricted Stock will be granted automatically each year on the last Wednesday in January of such year to the Board Chairman in office on such Grant Date, if any.

If a director becomes Board Chairman at any time after the last Wednesday in January of a given calendar year (beginning with calendar year 1999) but before the end of that calendar year, whether by action of the Board or otherwise, unless otherwise determined by the Board or the Committee such director upon so becoming the Board Chairman will receive 5/16ths (31.25%) of the value of his or her Annual Board Chairman's Fee for that year (which may be prorated) in the form of a Restricted Stock Award on the last Wednesday in the calendar month in which such director becomes the Board Chairman (or in the next following calendar month if said director becomes Board Chairman after the last Wednesday of the month).

(d) The total number of shares of Stock representing any such Restricted Stock Award will be the number of shares determined by dividing the amount of the Annual Director's Fee, the Annual Committee Chair's Fee or the Annual Board Chairman's Fee, as the case may be, to be paid in the form of a Restricted Stock Award by the Fair Market Value of a share of Stock on the Grant Date, rounded up to the nearest whole share.

(e) Other Restricted Stock Grants. Beginning with calendar year 1999, the Board or the Committee may, from time to time, grant Restricted Stock Awards to one or more Directors or to the Board Chairman for such number of shares of Restricted Stock as the Board or the Committee may determine as additional compensation to such Director or Directors or to such Board Chairman for their services as such.

(f) Restricted Stock granted pursuant to Section 8.1 is subject to adjustment as provided in Section 4.3.

8.2 Terms and Conditions of Restricted Stock. Unless otherwise determined by the Board or the Committee, Restricted Stock granted under the Plan will be subject to the following terms and conditions:

(a) Restriction Period. Restricted Stock will be subject to a Restriction Period ("Restriction Period") beginning on the Grant Date and continuing through December 31 of the calendar year in which the Grant Date occurred.

(b) Vesting.

(1) Annual Director's Fee Grants. Except as set forth in Section 8.2(b)(3), a Director's right to ownership in shares of Restricted Stock granted to a Director pursuant to Section 8.1(a) will vest on the January 1 immediately following the expiration of the Restriction Period for such shares (the "Restricted Stock Vesting Date") if the Director has an Attendance Percentage of at least seventy-five percent (75%) for the Grant Year. The Committee or the Board may at any time or from time to time waive the Restriction Period or accelerate the vesting of shares of Restricted Stock.

In the event that a Director has an Attendance Percentage of less than seventy-five percent (75%) for a Grant Year, a number of shares of Restricted Stock equal to the Director's Attendance Percentage for the Grant Year multiplied by the total number of shares of Restricted Stock granted pursuant to Section 8.1(a) during the Grant Year (rounded up to the nearest whole share) will vest on the Restricted Stock Vesting Date and the remaining shares of Restricted Stock granted pursuant to Section 8.1(a) during the Grant Year will be forfeited as of the Restricted Stock Vesting Date.

(2) Annual Committee Chair's Fee Grants, Annual Board Chairman's Fee Grants, and Other Grants. Except as set forth in Section 8.2(b)(3) below, a Director's right to ownership in shares of Restricted Stock granted to a Director pursuant to Section 8.1(e), to a committee chair pursuant to Section 8.1(b), or to the Board Chairman, if any, pursuant to Section 8.1(c) will vest on the Restricted Stock Vesting Date.

(3) Notwithstanding anything to the contrary herein, (i) in the event that a director is removed for Cause from office as a director of the Company (and/or in the case of Restricted Stock granted to a director in his or her capacity as Board Chairman, from office as Board Chairman, if applicable) prior to the Restricted Stock Vesting Date, all of said Director's shares of Restricted Stock that have not yet vested will be forfeited immediately as of the time the grantee is so removed from office and the Company will have the right to complete the blank stock power described below with respect to such shares, (ii) if so provided in the relevant Restricted Stock Agreement or if the Committee or the Board so determines with respect to a share or shares of Restricted Stock, upon the occurrence of a Change in Control, all such shares of Restricted Stock that have not yet vested will immediately vest, and (iii) for any Director who, at the effective date of the CBS/Viacom Merger is not a director of Viacom, Restricted Stock granted in calendar year 2000 pursuant to section 8.1(e) or 8.2(b), if any, will at the effective time of the CBS/Viacom Merger, immediately vest.

(c) Issuance of Shares. On or about the Grant Date, a certificate representing the shares of Restricted Stock will be registered in the Director's name and deposited by the Director, together with a stock power endorsed in blank, with the Company. Subject to the transfer restrictions set forth in Section 8.2(d) and to the last sentence of this Section 8.2(c), the Director as owner of shares of Restricted Stock will have the rights of the holder of such Restricted Stock during the Restriction Period. On the Restricted Stock Vesting Date following expiration of the Restriction Period, vested shares of Restricted Stock will be

redelivered by the Company to the Director, and non-vested shares of Restricted Stock will be forfeited and the Company will have the right to complete the blank stock power with respect to such non-vested shares; provided, however, with respect to shares of Restricted Stock granted in 1996 prior to shareholder approval of an amendment to the Plan on April 24, 1996, no certificates were issued, such shares were not issued and outstanding, and the Directors did not have any of the rights of an owner of the shares until the date such shareholder approval occurred.

(d) Transfer Restrictions; Mandatory Holding of Stock. Except as otherwise provided in Section 8.5 or Section 10, shares of Restricted Stock are not transferable during the Restriction Period. Once the Restriction Period lapses and shares vest, except as otherwise provided in Section 8.5 or Section 10 or unless waived by the Committee or the Board, shares acquired as a Restricted Stock Award must be held by the grantee for a minimum of: (1) three years from the Grant Date; (2) two years from the date the grantee ceases to be a director of the Company; or (3) if so provided in the relevant Restricted Stock Agreement or if the Committee or the Board so determines with respect to a share or shares of Restricted Stock, until the occurrence of a Change of Control, whichever first occurs (the "Restricted Shares Holding Period"). Notwithstanding the foregoing or anything to the contrary contained in any Restricted Stock agreement, upon the effective time of the CBS/Viacom Merger, the Restricted Shares Holding Period for any Restricted Stock acquired as a Restricted Stock Award shall terminate.

(e) Restricted Stock Agreement. All Restricted Stock Awards will be confirmed by an agreement, or an amendment thereto, which will be executed on behalf of the Company by the Chief Executive Officer, the President or any Vice President and by the grantee.

(f) General Restriction.

(1) The obligation of the Company to issue shares of Restricted Stock under the Plan will be subject to the condition that if, at any time, the Committee determines that (a) the listing, registration or qualification of shares of Restricted Stock upon any securities exchange or under any state or federal law or (b) the consent or approval of any government or regulatory body is necessary or desirable, then such Restricted Stock will not be issued unless such listing, registration, qualification, consent or approval has been effected or obtained free from any conditions not acceptable to the Company.

(2) Shares of Stock for use under the provisions of this Section 8 will not be issued until they have been duly listed, upon official notice of issuance, upon the New York Stock Exchange and such other exchanges, if any, as the Board may determine, and a registration statement under the Securities Act of 1933 with respect to such shares has become, and is, effective.

Subject to the foregoing provisions of this Section 8.2 and the other provisions of the Plan, any shares of Restricted Stock granted under the Plan will be subject to such restrictions and other terms and conditions, if any, as the Board or the Committee may determine, in its discretion, and as are set forth in the agreement referred to in Section 8.2(e), or an amendment

thereto; provided, however, that in no event will either the Committee or the Board have any power or authority which would cause transactions pursuant to the Plan to cease to be exempt from the provisions of Section 16(b) of the Exchange Act under Rule 16b-3, as such rule may be amended, or any successor rule.

8.3 Annual Statement. A statement will be sent to each Director as to the status of his or her Restricted Stock at least once each calendar year.

8.4 Designation of a Beneficiary. A Director may designate a beneficiary to hold shares of Restricted Stock in accordance with the Plan in the event of the Director's death in a form approved by the Company.

8.5 Holding Period Applicable to a Deceased Grantee's Estate. As long as at least six months have elapsed since the Grant Date, a beneficiary properly designated by the Director pursuant to Section 8.4 in the event of death, if any, or a person holding shares of Restricted Stock under a deceased grantee's will or under the applicable laws of descent or distribution, will not be subject to the Restricted Shares Holding Period with respect to such shares of Restricted Stock.

Section 9. Change in Control

9.1 Settlement of Compensation. In the event of a Change in Control of the Company as defined herein: (a) with respect to awards and other benefits made or granted pursuant to the Plan prior to July 28, 1999, to the extent not already vested, all Stock Option Awards, Restricted Stock Awards and other benefits hereunder will be vested immediately (provided, however, that with respect to awards and other benefits made or granted pursuant to the Plan on or after July 28, 1999, the occurrence of a Change in Control will have no effect on such outstanding awards or benefits pursuant to the Plan unless otherwise provided in an agreement governing the award or other benefit or unless the Committee or the Board determines otherwise); and (b) the value of all unpaid Common Stock Equivalents and deferred amounts (whether deferred before or after July 28, 1999) will be paid in cash to PNC Bank, National Association, the trustee pursuant to a trust agreement dated as of June 22, 1995, as amended from time to time, or any successor trustee, or otherwise on such terms as the Committee may prescribe or permit. For purposes of this Section 9.1: the value of unpaid Common Stock Equivalents and deferred amounts will be equal to the sum of (i) the value of all Common Stock Equivalent Awards then held in such Director's Deferred Stock Account (the value of which will be based upon the highest price of the Stock as reported by the composite tape of the New York Stock Exchange during the 30 days immediately preceding the Change in Control), (ii) the value of the Director's Cash Account, and (iii) the greater value of (x) the cash amount equal to the face value of the Debentures in the Director's Deferred Debenture Account plus cash equal to accrued interest on the Debentures or (y) the number of shares of Stock into which the Debentures in the Director's Deferred Debenture Account are convertible (the value of which will be based upon the highest price of the Stock as reported by the composite tape of the New York Stock Exchange during the 30 days immediately preceding the Change in Control), plus cash equal to accrued interest on the Debentures.

9.2 Definition of Change in Control. A Change in Control will mean the occurrence of one or more of the following events:

(a) there shall be consummated (i) any consolidation or merger of the Company in which the Company is not the continuing or surviving corporation or pursuant to which shares of the Company's Stock would be converted into cash, securities or other property, other than a merger of the Company in which the holders of the Company's Stock immediately prior to the merger have the same proportionate ownership of common stock of the surviving corporation immediately after the merger, or (ii) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the assets of the Company; or

(b) the shareholders of the Company shall approve of any plan or proposal for the liquidation or dissolution of the Company; or

(c) (i) any person (as such term is defined in Section 13(d) of the Exchange Act), corporation or other entity shall purchase any Stock of the Company (or securities convertible into the Company's Stock) for cash, securities or any other consideration pursuant to a tender offer or exchange offer, unless, prior to the making of such purchase of Stock (or securities convertible into Stock), the Board shall determine that the making of such purchase shall not constitute a Change in Control, or (ii) any person (as such term is defined in Section 13(d) of the Exchange Act), corporation or other entity (other than the Company or any benefit plan sponsored by the Company or any of its subsidiaries) shall become the "beneficial owner" (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing twenty percent or more of the combined voting power of the Company's then outstanding securities ordinarily (and apart from any rights accruing under special circumstances) having the right to vote in the election of directors (calculated as provided in Rule 13d-3(d) in the case of rights to acquire any such securities), unless, prior to such person so becoming such beneficial owner, the Board shall determine that such person so becoming such beneficial owner shall not constitute a Change in Control; or

(d) at any time during any period of two consecutive years, individuals who at the beginning of such period constituted the entire Board shall cease for any reason to constitute at least a majority thereof, unless the election or nomination for election of each new director during such two-year period is approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of such two-year period.

Section 10. Assignability

10.1 The right to receive payments or distributions hereunder (including any "derivative security" issued pursuant to the Plan, as such term is defined by the rules promulgated under Section 16 of the Exchange Act), any shares of Restricted Stock granted hereunder during the Restriction Period, and any Stock Options granted hereunder will not be transferable or assignable by a Director other than by will, by the laws of descent and distribution, to a beneficiary properly designated by the Director pursuant to the appropriate section of the Plan in the event of death, if any, or pursuant to a domestic relations order as defined by Section

414(p)(1)(B) of the Internal Revenue Code or the rules thereunder that satisfies Section 414(p)(1)(A) of the Internal Revenue Code or the rules thereunder.

10.2 In addition, Stock acquired on exercise of a Stock Option will not be transferable prior to the end of the applicable Option Shares Holding Period, if any, set forth in Sections 7.2(d) and 7.5, and Stock acquired as Restricted Stock will not be transferable prior to the end of the applicable Restricted Shares Holding Period, if any, set forth in Sections 8.2(d) and 8.5, in either case other than by will, by transfer to a beneficiary properly designated by the Director pursuant to the appropriate section of the Plan in the event of death, if any, by the applicable laws of descent and distribution, or pursuant to a domestic relations order as defined by Section 414(p)(1)(B) of the Internal Revenue Code or the rules thereunder that satisfies Section 414(p)(1)(A) of the Internal Revenue Code or the rules thereunder.

Section 11. Retention; Withholding of Tax

11.1 Retention. Nothing contained in the Plan or in any Stock Option Award or Restricted Stock Award granted under the Plan will interfere with or limit in any way the right of the Company to remove any director from the Board or to remove the Board Chairman, if any, from office as such pursuant to the Restated Articles of Incorporation and the By-laws of the Company, nor confer upon any Director any right to continue in the service of the Company.

11.2 Withholding of Tax. To the extent required by applicable law and regulation, each Director must arrange with the Company for the payment of any federal, state or local income or other tax applicable to any payment or any delivery of Stock hereunder before the Company will be required to make such payment or issue (or, in the case of Restricted Stock, deliver) such shares under the Plan.

Section 12. Plan Amendment, Modification and Termination

The Board may at any time terminate, and from time to time may amend or modify the Plan, provided, however, that no amendment or modification may become effective without approval of the amendment or modification by the shareholders if shareholder approval is required to enable the Plan to satisfy any applicable statutory or regulatory requirements.

Section 13. Requirements of Law

13.1 Federal Securities Law Requirements. Implementation and interpretations of, transactions pursuant to, the Plan will be subject to all conditions required under Rule 16b-3, as such rule may be amended, or any successor rule, to qualify such transactions for any exemption from the provisions of Section 16(b) of the Exchange Act available under that rule, or any successor rule.

13.2 Governing Law. The Plan and all agreements hereunder will be construed in accordance with and governed by the laws of the Commonwealth of Pennsylvania.

Section 14. Other Compensation

Nothing contained in the Plan will be deemed to limit or restrict the right of the Company to compensate directors for their services in any capacity in whole or in part under separate compensation or deferral plans or programs for directors or under other compensation arrangements.

ADVISORY DIRECTOR'S PLAN TERMINATION FEE
DEFERRAL TERMS AND CONDITIONS

Effective April 30, 1996
(As Revised Effective
February 24, 2000)

ADVISORY DIRECTOR'S PLAN TERMINATION FEE
DEFERRAL TERMS AND CONDITIONS

The Board of Directors of Westinghouse Electric Corporation (the "Company") hereby adopts the following deferral terms and conditions (the "ADP Deferral Plan") for Termination Fees under the Company's Advisory Director's Plan.

Section 1. Definitions

1.1 Definitions. The following terms shall have the meanings set forth below:

(a) "Board" means the Board of Directors of the Company.

(b) "Change in Control" shall have the meaning assigned to it in Section 4.2.

(c) "Committee" means the Compensation Committee of the Board or any successor established by the Board.

(d) "Debenture" means a hypothetical debenture of the Company that has a face value of \$100, bears interest at a rate equal to the ten-year U.S. Treasury Bond rate in effect the week prior to April 30, 1996, and would be deemed to be convertible into Stock at a conversion rate determined by dividing \$100 by the mean of the high and low prices of the Stock as reported by the composite tape of the New York Stock Exchange on April 30, 1996, the date the Debenture is credited to an ADP Deferred Debenture Account pursuant to Section 3.2.

(e) "ADP Deferred Debenture Account" means the account established by the Company for a Director pursuant to Section 3.2 and to which Debentures are credited pursuant to the ADP Deferral Plan.

(f) "Director" means a non-employee member of the

Board who is entitled to Termination Fees under the Company's Advisory Director's Plan.

(g) "Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time.

(h) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended from time to time.

(i) "Stock" means the common stock, \$1.00 par value, of the Company.

(j) "Termination Fee" means a termination fee payment pursuant to the Company's Advisory Director's Plan.

1.2 Number. Except when otherwise indicated by the context the definition of any term herein in the singular shall also include the plural.

Section 2. ADP Deferral Plan Administration

(a) The ADP Deferral Plan shall be administered by the Committee. The members of the Committee shall be members of the Board appointed by the Board, and any vacancy on the Committee shall be filled by the Board.

The Committee shall keep minutes of its meetings and of any action taken by it without a meeting. A majority of the Committee shall constitute a quorum, and the acts of a majority of the members present at any meeting at which a quorum is present shall be the acts of the Committee. Any action that may be taken at a meeting of the Committee may be taken without a meeting if a consent or consents in writing setting forth the action so taken shall be signed by all of the members of the Committee. The Committee shall make appropriate reports to the Board concerning the operations of the ADP Deferral Plan.

(b) Subject to the limitations of the ADP Deferral

Plan, the Committee shall have the sole and complete authority: (i) to impose such limitations, restrictions and conditions on Debentures as it shall deem appropriate; (ii) to interpret the ADP Deferral Plan and to adopt, amend and rescind administrative guidelines and other rules and regulations relating to the ADP Deferral Plan; and (iii) to make all other determinations and to take all other actions necessary or advisable for the implementation and administration of the ADP Deferral Plan. The Committee's determinations on matters within its authority shall be conclusive and binding upon the Company and all other persons.

(c) The Company shall be the sponsor of the ADP Deferral Plan. All expenses associated with the ADP Deferral Plan shall be borne by the Company.

Section 3. Deferral of Termination Fees

3.1 Amount of Deferral. Any Termination Fee payable to a Director under the Company's Advisory Director's Plan is subject to mandatory deferral under the terms of the ADP Deferral Plan.

3.2 ADP Deferred Debenture Accounts. An ADP Deferred Debenture Account has been or shall be established for each Director eligible to receive a Termination Fee. The amount of deferred Termination Fees for each Director on April 30, 1996, together with 1996 interest, shall be deemed to be invested in Debentures and shall be credited to the ADP Deferred Debenture Account for each such Director on April 30, 1996. Deferred amounts shall be credited to the ADP Deferred Debenture Account only in \$100 amounts.

3.3 Payment of Deferred Amounts. Payments from an ADP Deferred Debenture Account shall be made in five consecutive annual installments beginning in the January following the Director's termination of service or if elected by the Director in writing, such payments may be made in ten or fifteen consecutive annual installments or in lump sum in the January following the Director's termination of service. Payments from an ADP Deferred Debenture Account shall all be made in cash and shall consist of accumulated interest on the Debentures plus the greater value of (i) the face value of the Debentures or (ii) the value of the shares of Stock into which the Debentures would be deemed to be convertible.

3.4 Payments to a Deceased Director's Estate. In the event of a Director's death before the balance of the Director's ADP Deferred Debenture Account is fully paid, payment of the balance of the Director's ADP Deferred Debenture Account shall then be made to the beneficiary designated by the Director pursuant to Section 3.5, or to the Director's estate in the absence of such a beneficiary designation, in the time and manner selected by the Committee. The Committee may take into account the application of any duly appointed administrator or executor of a Director's estate and direct that the balance of the Director's ADP Deferred Debenture Account be paid to the Director's estate in the manner requested by such application.

3.5 Designation of Beneficiary. A Director may designate a beneficiary in a form approved by the Committee and filed with the Secretary of the Company.

Section 4. Change in Control

4.1 Settlement of Compensation. In the event of a Change in Control of the Company as defined herein and if elected by the Committee in writing, the value of all unpaid deferred amounts shall be paid in cash to PNC Bank, National Association, the trustee pursuant to a trust agreement dated as of June 1995, as amended from time to time, or any successor trustee. For purposes of this Section 4.1, the value of deferred amounts shall be equal to the greater value of (a) the cash amount equal to the face value of the Debentures plus cash equal to accrued interest or (b) the number of shares of Stock into which the Debentures would be deemed to be convertible (the value of which shall be based upon the highest price of the Stock as reported by the composite tape of the New York Stock Exchange during the thirty days immediately preceding the Change in Control) plus cash equal to accrued interest.

4.2 Definition of Change in Control. A Change in Control shall mean the occurrence of one or more of the following events:

(a) there shall be consummated (i) any consolidation or merger of the Company in which the Company is not the continuing or surviving corporation or pursuant to which shares of the Company's Stock would be converted into cash, securities or other property, other than a merger of the Company in which the holders of the Company's Stock immediately prior to the merger have the same proportionate ownership of common stock of the surviving corporation immediately after the merger, or (ii) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the assets of the Company; or

(b) the shareholders of the Company shall approve of any plan or proposal for the liquidation or dissolution of the Company; or

(c) (i) any person (as such term is defined in Section 13(d) of the Exchange Act), corporation or other entity shall

purchase any Stock of the Company (or securities convertible into the Company's Stock) for cash, securities or any other consideration pursuant to a tender offer or exchange offer, unless, prior to the making of such purchase of Stock (or securities convertible into Stock), the Board shall determine that the making of such purchase shall not constitute a Change in Control, or (ii) any person (as such term is defined in Section 13(d) of the Exchange Act), corporation or other entity (other than the Company or any benefit plan sponsored by the Company or any of its subsidiaries) shall become the "beneficial owner" (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing twenty percent or more of the combined voting power of the Company's then outstanding securities ordinarily (and apart from any rights accruing under special circumstances) having the right to vote in the election of directors (calculated as provided in Rule 13d-3(d) in the case of rights to acquire any such securities), unless, prior to such person so becoming such beneficial owner, the Board shall determine that such person so becoming such beneficial owner shall not constitute a Change in Control; or

(d) at any time during any period of two consecutive years individuals who at the beginning of such period constituted the entire Board shall cease for any reason to constitute at least a majority thereof, unless the election or nomination for election of each new director during such two-year period is approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of such two-year period.

Section 5. Assignability

The right to receive payments or distributions hereunder and any Debentures granted hereunder shall not be transferable or assignable by a Director other than by will, by the laws of descent and distribution, to a properly designated beneficiary in the event of death, or pursuant to a domestic relations order as defined by Section 414(p)(1)(B) of the Internal Revenue Code or the rules thereunder that satisfies Section 414(p)(1)(A) of the Internal Revenue Code or the rules thereunder.

Section 6. Retention; Withholding of Tax

6.1 Retention. Nothing contained in the ADP Deferral Plan shall interfere with or limit in any way the right of the Company to remove any Director from the Board pursuant to the Restated Articles of Incorporation and the By-laws of the Company, nor confer upon any Director any right to continue in the service of the Company.

6.2 Withholding of Tax. To the extent required by applicable law and regulation, each Director must arrange with the Company for the payment of any federal, state or local income or other tax applicable to any payment hereunder before the Company shall be required to make such payment under the ADP Deferral Plan.

Section 7. ADP Deferral Plan Amendment, Modification and Termination

The Board may from time to time amend or modify the ADP Deferral Plan and may at any time terminate the ADP Deferral Plan.

Section 8. Governing Law

The ADP Deferral Plan shall be construed in accordance with and governed by the laws of the Commonwealth of Pennsylvania without regard to its conflicts of law principles.

Section 9. Effective Date

The ADP Deferral Plan shall be effective as of April 30, 1996.

The ADP Deferral Plan shall not preclude the adoption by appropriate means of any other compensation or deferral plan for directors.

\$1,450,000,000

AMENDED AND RESTATED FIVE-YEAR CREDIT AGREEMENT

among

VIACOM INC.,

VIACOM INTERNATIONAL INC.,

THE SUBSIDIARY BORROWERS PARTIES HERETO,

THE LENDERS NAMED HEREIN,

THE CHASE MANHATTAN BANK,
as Administrative Agent,

FLEET NATIONAL BANK and BANK OF AMERICA, N.A.,
as Co-Syndication Agents

and

BANK OF NEW YORK,
as Documentation Agent,

Dated as of May 3, 2000,

As Amended and Restated as of March 7, 2001

JP MORGAN, A DIVISION OF CHASE SECURITIES INC.

and

FLEETBOSTON ROBERTSON STEPHENS INC.,
as Joint Lead Arrangers and Joint Bookrunners

BANK OF AMERICA, N.A. and BANK OF NEW YORK,
as Arrangers

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Annex I Pricing Grid

EXHIBITS

Exhibit A	Administrative Questionnaire
Exhibit B-1	Form of Competitive Bid Request
Exhibit B-2	Form of Notice of Competitive Bid Request
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Exhibit B-5	Form of Swingline Borrowing Request
Exhibit B-6	Form of Notice of Designated Letter of Credit
Exhibit B-7	Form of Subsidiary Borrower Designation
Exhibit B-8	Form of Subsidiary Borrower Request
Exhibit C	Form of Assignment and Acceptance
Exhibit D	Form of Confidentiality Agreement
Exhibit E	Form of Closing Certificate
Exhibit F	Form of Issuing Lender Agreement
Exhibit G	Form of New Lender Supplement
Exhibit H	Form of Commitment Increase Letter

SCHEDULES

Schedule 1.1	Commitments; Addresses for Notices
Schedule 1.1(a)	Guarantees
Schedule 5.6	Subsidiary Indebtedness

AMENDED AND RESTATED FIVE-YEAR CREDIT AGREEMENT entered into as of May 3, 2000, as amended and restated as of March 7, 2001, among VIACOM INC., a Delaware corporation ("Viacom"), VIACOM INTERNATIONAL INC. ("Viacom International"), each Subsidiary Borrower (as herein defined); the lenders whose names appear on Schedule 1.1 hereto or who subsequently become parties hereto as provided herein (the "Lenders"); THE CHASE MANHATTAN BANK, a New York banking corporation ("Chase"), as administrative agent for the Lenders; FLEET NATIONAL BANK, a national banking corporation, and BANK OF AMERICA, N.A., a national banking association, each as co-syndication agent for the Lenders (in such capacity, the "Co-Syndication Agents"); and BANK OF NEW YORK, a New York banking corporation, as documentation agent for the Lenders (in such capacity, the "Documentation Agent").

W I T N E S S E T H :
- - - - -

WHEREAS, Viacom, the parent of Infinity (as defined below), has requested to replace Infinity hereunder and Viacom has agreed to assume all of Infinity's rights and responsibilities hereunder; and

WHEREAS, the Administrative Agent and the Lenders have agreed to modify the terms and conditions hereof to conform to the terms and conditions of the Five-Year Facility (as herein defined) as set forth herein; and

WHEREAS, the Lenders are willing to extend credit to the Borrowers on the terms and subject to the conditions herein set forth;

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, Viacom, Infinity, Viacom International, each Subsidiary Borrower heretofore designated, the Administrative Agent and each Lender hereby agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. Defined Terms.

As used in this Agreement, the following terms shall have the meanings specified below:

"ABR Loan" shall mean (a) any Revolving Credit Loan bearing interest at a rate determined by reference to the Alternate Base Rate in accordance with the provisions of Article II and (b) any ABR Swingline Loan.

"ABR Revolving Credit Loan" shall mean any Revolving Credit Loan which is an ABR Loan.

"ABR Swingline Exposures" shall mean at any time the aggregate principal amount at such time of the outstanding ABR Swingline Loans. The ABR Swingline Exposure of

any Lender at any time shall mean its Revolving Credit Percentage of the aggregate ABR Swingline Exposures at such time.

"ABR Swingline Loan" shall have the meaning assigned to such term in Section 2.6(a).

"Absolute Rate Loan" shall mean any Competitive Loan bearing interest at a fixed percentage rate per annum (expressed in the form of a decimal rounded to no more than four decimal places) specified by the Lender making such Loan in its Competitive Bid.

"Administrative Agent" shall mean Chase, together with its affiliates, as an arranger of the Commitments and as the administrative agent for the Lenders under this Agreement, and any successor thereto pursuant to Article VII.

"Administrative Agent Fee Letter" shall mean the Fee Letter with respect to this Agreement between Viacom and the Administrative Agent, as amended, supplemented or otherwise modified from time to time.

"Administrative Agent's Fees" shall have the meaning assigned to such term in Section 2.9(c).

"Administrative Questionnaire" shall mean an Administrative Questionnaire in the form of Exhibit A hereto.

"Affiliate" shall mean, as to Viacom, any Person which directly or indirectly controls, is under common control with or is controlled by Viacom. As used in this definition, "control" (including, with correlative meanings, "controlled by" and "under common control with") shall mean possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise); provided that, in any event, any Person which owns directly or indirectly 10% or more of the securities having ordinary voting power for the election of directors or other governing body of a corporation or 10% or more of the partnership or other ownership interests of any other Person (other than as a limited partner of such other Person) will be deemed to control such corporation or other Person. Notwithstanding the foregoing, (a) no individual shall be deemed to be an Affiliate of Viacom solely by reason of his or her being an officer, director or employee of Viacom or any of its Subsidiaries and (b) Viacom International and Viacom and their Subsidiaries shall not be deemed to be Affiliates of each other, unless expressly stated to the contrary.

"Agents" shall mean the collective reference to the Administrative Agent, the Joint Lead Arrangers and Joint Bookrunners, the Arrangers, the Documentation Agent and the Co-Syndication Agents.

"Aggregate LC Exposure" shall mean, at any time, the sum of (a) the aggregate undrawn amount of all Letters of Credit outstanding at such time and (b) the aggregate amount which has been drawn under Letters of Credit but for which the applicable Issuing Lender or the Lenders, as the case may be, have not been reimbursed by Viacom or the relevant Subsidiary Borrower at such time.

"Agreement" shall mean this Amended and Restated Five-Year Credit Agreement, as amended, supplemented or otherwise modified from time to time.

"Alternate Base Rate" shall mean, for any day, a rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the greater of (a) the Prime Rate in effect on such day and (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. For purposes hereof, "Prime Rate" shall mean the rate of interest per annum publicly announced from time to time by the Lender serving as the Administrative Agent as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective on the date such change is publicly announced as effective; and "Federal Funds Effective Rate" shall mean, for any day, the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for the day of such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it. If for any reason the Administrative Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Federal Funds Effective Rate for any reason, including the inability or failure of the Administrative Agent to obtain sufficient quotations in accordance with the terms thereof, the Alternate Base Rate shall be the Prime Rate until the circumstances giving rise to such inability no longer exist. Any change in the Alternate Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective on the effective date of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

"Amendment Closing Date" shall mean March 7, 2001.

"Applicable Eurodollar Margin" shall mean the "Applicable Eurodollar Margin" determined in accordance with the Pricing Grid set forth in Annex I hereto.

"Applicable Facility Fee Rate" shall mean the "Applicable Facility Fee Rate" determined in accordance with the Pricing Grid set forth in Annex I hereto.

"Applicable LC Fee Rate" shall mean (a) with respect to Financial Letters of Credit, the "Applicable Financial LC Fee Rate" determined in accordance with the Pricing Grid set forth in Annex I hereto and (b) with respect to Non-Financial Letters of Credit, the "Applicable Non-Financial LC Fee Rate" determined in accordance with the Pricing Grid set forth in Annex I hereto.

"Applicable Utilization Fee Rate" shall mean the "Applicable Utilization Fee Rate" determined in accordance with the Pricing Grid set forth in Annex I hereto.

"Arrangers" shall mean Bank of America, N.A., a national banking association, and Bank of New York, a New York banking corporation.

"Assignment and Acceptance" shall mean an assignment and acceptance entered into by a Lender and an assignee, and accepted by the Administrative Agent, in the form of Exhibit C.

"Blockbuster Event" means the sale or deconsolidation of Blockbuster Inc. from Viacom, which sale or deconsolidation shall be substantially non-recourse to Viacom and Viacom International.

"Board" shall mean the Board of Governors of the Federal Reserve System of the United States.

"Bonds" shall have the meaning assigned to such term in Section 8.2(g).

"Borrower" shall mean, as applicable, Viacom or the relevant Subsidiary Borrower.

"Business Day" shall mean any day (other than a day which is a Saturday, Sunday or legal holiday in the State of New York) on which banks are open for business in New York City; provided, however, that, when used in connection with a Eurodollar Loan, the term "Business Day" shall also exclude any day on which banks are not open for international business (including dealings in Dollar deposits) in the London interbank market.

"Capital Lease Obligations" of any Person shall mean the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property (other than satellite transponders), or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP.

"Capital Stock" shall mean any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants or options to purchase any of the foregoing.

"Chase" shall have the meaning assigned to such term in the preamble to this Agreement.

"Closing Certificate" shall mean a certificate, substantially in the form of Exhibit E.

"Closing Date" shall mean May 3, 2000.

"Code" shall mean the Internal Revenue Code of 1986, as the same may be amended from time to time.

"Commitment" shall mean, with respect to each Lender, the commitment of such Lender to make Revolving Credit Loans pursuant to Section 2.1, to make or refund ABR Swingline Loans pursuant to Section 2.6 and to issue or participate in Letters of Credit pursuant to Section 2.7, as set forth on Schedule 1.1, as such Lender's Commitment may be permanently terminated or reduced from time to time pursuant to Section 2.13 or changed pursuant to Section 9.4.

"Commitment Increase Date" shall have the meaning assigned to such term in Section 2.13(e).

"Commitment Increase Letter" shall have the meaning assigned to such term in Section 2.13(e) and shall be substantially in the form of Exhibit H.

"Commitment Utilization Percentage" shall mean on any day the percentage equivalent to a fraction (a) the numerator of which is the sum of the aggregate outstanding principal amount of Revolving Credit Loans, including the aggregate outstanding principal amount of Letters of Credit, Swingline Loans and Competitive Loans, and (b) the denominator of which is the Total Commitment (or, on any day after termination of the Commitments, the Total Commitment in effect immediately preceding such termination).

"Communications Act" shall mean the Communications Act of 1934, as amended.

"Competitive Bid" shall mean an offer to make a Competitive Loan pursuant to Section 2.3.

"Competitive Bid Rate" shall mean, as to any Competitive Bid made pursuant to Section 2.3(b), (a) in the case of a Eurodollar Competitive Loan, the Margin, and (b) in the case of an Absolute Rate Loan, the fixed rate of interest offered by the Lender making such Competitive Bid.

"Competitive Bid Request" shall mean a request made pursuant to Section 2.3 in the form of Exhibit B-1.

"Competitive Loan" shall mean a Loan from a Lender to a Borrower pursuant to the bidding procedure described in Section 2.3. Each Competitive Loan shall be a Eurodollar Competitive Loan or an Absolute Rate Loan and, subject to Section 2.3(a), may be denominated in Dollars or a Foreign Currency.

"Compliance Certificate" shall have the meaning assigned to such term in Section 5.1.

"Confidential Information" shall have the meaning assigned to such term in Section 9.15(a).

"Confidentiality Agreement" shall mean a confidentiality agreement substantially in the form of Exhibit D, with such changes as Viacom may approve.

"Consolidated Coverage Ratio" shall mean, for any period, the ratio of (a) Consolidated EBITDA for such period to (b) Consolidated Interest Expense for such period.

"Consolidated EBITDA" shall mean, with respect to Viacom and its Consolidated Subsidiaries for any period, operating profit (loss) (excluding that related to Discontinued Operations), plus other income (loss), plus interest income, plus depreciation and amortization (excluding amortization related to programming rights, prepublication costs and videocassettes),

excluding (a) gains (losses) on sales of assets (except (I) gains (losses) on sales of inventory sold in the ordinary course of business and (II) gains (losses) on sales of other assets if such gains (losses) are less than \$10,000,000 individually and less than \$50,000,000 in the aggregate during such period), (b) other non-cash items (including (i) provisions for losses and additions to valuation allowances, (ii) provisions for restructuring, litigation and environmental reserves and losses on the Disposition of businesses and (iii) pension settlement charges), and (c) nonrecurring expenses incurred during such period in connection with the merger of CBS and Viacom pursuant to the Agreement and Plan of Merger entered into by CBS, Viacom and Viacom/CBS LLC dated as of September 6, 1999, as amended, amended and restated, supplemented and otherwise modified from time to time, minus cash payments made during such period in respect of non-cash charges taken during any previous period (excluding cash payments in respect of non-cash charges taken prior to December 31, 1999).

"Consolidated Interest Expense" shall mean for any period the gross cash interest expense of Viacom and its Consolidated Subsidiaries on Indebtedness for such period plus cash dividends paid on preferred stock to persons other than Viacom and its Wholly Owned Subsidiaries for such period, but excluding the gross cash interest expense of the Discontinued Operations for such period.

"Consolidated Subsidiary" shall mean, as to any Person, each Subsidiary of such Person (whether now existing or hereafter created or acquired) the financial statements of which shall be consolidated with the financial statements of such Person in accordance with GAAP.

"Consolidated Tangible Assets" shall mean at any date the assets of Viacom and its Subsidiaries determined on such date on a consolidated basis, less goodwill and other intangible assets.

"Co-Syndication Agents" shall have the meaning assigned to such term in the preamble hereto.

"Credit Event" shall mean the making of any Loan or the issuance of any Letter of Credit hereunder (including the designation of a Designated Letter of Credit as a "Letter of Credit" hereunder). It is understood that conversions and continuations pursuant to Section 2.8 do not constitute "Credit Events".

"Debt Rating" shall mean the rating applicable to Viacom's senior, unsecured, non-credit-enhanced long-term indebtedness for borrowed money, as assigned by either Rating Agency.

"Default" shall mean any event or condition which upon notice, lapse of time or both would constitute an Event of Default.

"Designated Letters of Credit" shall mean each letter of credit issued by an Issuing Lender that (a) is not a Letter of Credit hereunder at the time of its issuance and (b) is designated on or after the Closing Date by Viacom or any Subsidiary Borrower, with the consent

of such Issuing Lender, as a "Letter of Credit" hereunder by written notice to the Administrative Agent in the form of Exhibit B-6.

"Discontinued Operations" shall mean the operations classified as "discontinued operations" pursuant to Accounting Principles Board Opinion No. 30 as presented in the quarterly report of CBS on Form 10-Q for the quarter ended September 30, 1997 and filed with the SEC on December 14, 1997.

"Disposition" shall mean, with respect to any Property, any sale, lease, assignment, conveyance, transfer or other disposition thereof; and the terms "Dispose" and "Disposed of" shall have correlative meanings.

"Documentation Agent" shall have the meaning assigned to such term in the preamble hereto.

"Dollars" or "\$" shall mean lawful money of the United States of America.

"Environmental Laws" shall mean any and all Federal, state, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or other governmental restrictions relating to the environment or to emissions, discharges, releases or threatened releases of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes into the environment, including, without limitation, ambient air, surface water, ground water or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances or wastes.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" shall mean, with respect to Viacom, any trade or business (whether or not incorporated) that is a member of a group of which Viacom is a member and which is treated as a single employer under Section 414 of the Code.

"Eurodollar Competitive Loan" shall mean any Competitive Loan which is a Eurodollar Loan.

"Eurodollar Loan" shall mean any Loan bearing interest at a rate determined by reference to the Eurodollar Rate.

"Eurodollar Rate" shall mean, with respect to an Interest Period pertaining to any Eurodollar Loan, the rate of interest determined on the basis of the rate for deposits in Dollars or the relevant Foreign Currency, as the case may be, for a period equal to such Interest Period commencing on the first day of such Interest Period appearing on Page 3750 (or, in the case of any Foreign Currency, the applicable page) of the Telerate Screen as of 11:00 A.M., London time, two Business Days prior to the beginning of such Interest Period. In the event that such rate does not appear on such page of the Telerate Screen (or otherwise on the Telerate Service), the "Eurodollar Rate" shall instead be the interest rate per annum (rounded upwards, if

necessary, to the next 1/16 of 1%) equal to the average of the rates at which deposits in Dollars or the relevant Foreign Currency, as the case may be, approximately equal in principal amount to (a) in the case of a Eurodollar Tranche, the portion of such Eurodollar Tranche of the Lender serving as Administrative Agent and (b) in the case of a Eurodollar Competitive Loan, a principal amount that would have been the portion of such Loan of the Lender serving as the Administrative Agent had such Loan been a Eurodollar Revolving Credit Loan, and for a maturity comparable to such Interest Period, are offered by the principal London offices of the Reference Banks (or, if any Reference Bank does not at the time maintain a London office, the principal London office of any affiliate of such Reference Bank) for immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

"Eurodollar Revolving Credit Loan" shall mean any Revolving Credit Loan which is a Eurodollar Loan.

"Eurodollar Tranche" shall mean the collective reference to Eurodollar Revolving Credit Loans made by the Lenders, the then current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Loans shall originally have been made on the same day).

"Event of Default" shall have the meaning assigned to such term in Article VI; provided that any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Excess Utilization Day" shall mean each day on which the Commitment Utilization Percentage exceeds 50%.

"Exchange Act Report" shall have the meaning assigned to such term in Section 3.3.

"Existing Credit Agreements" shall mean the (a) \$6,400,000,000 Amended and Restated Credit Agreement, dated as of March 26, 1997 (as amended, restated, supplemented or otherwise modified), among Viacom, as the borrower, the banks named therein, The Bank of New York, Citibank, N.A., Morgan Guaranty Trust Company of New York, Bank of America NT&SA and The Chase Manhattan Bank, as managing agents, The Bank of New York, as documentation agent, Citibank, N.A., as the administrative agent, and JP Morgan Securities Inc. and Bank of America NT&SA, as the syndication agents; (b) \$1,500,000,000 Amended and Restated Credit Agreement, dated as of December 10, 1999 (as amended, restated, supplemented or otherwise modified), among Viacom (successor by merger with CBS Corporation), as the borrower, the lenders named therein, Bank of America, N.A. and The Toronto-Dominion Bank, as syndication agents, The Chase Manhattan Bank, as documentation agent and Morgan Guaranty Trust Company of New York, as administrative agent; (c) \$1,500,000,000 Amended and Restated Credit Agreement, dated as of December 10, 1999 (as amended, restated, supplemented or otherwise modified), among Infinity, as the borrower, each subsidiary borrower, Viacom (successor by merger with CBS Corporation), as a guarantor, the lenders named therein, Bank of America, N.A. and The Toronto-Dominion Bank, as syndication agents, The Chase Manhattan Bank, as documentation agent and Morgan Guaranty Trust Company of

New York, as administrative agent; and (d) \$500,000,000 364-Day Credit Agreement, dated as of May 3, 2000 (as amended, restated, supplemented or otherwise modified), among Infinity, as the borrower, each subsidiary borrower, the lenders named therein, Bank of New York, as documentation agent, The Chase Manhattan Bank, as administrative agent, and Bank of America, N.A. and Fleet National Bank, as co-syndication agents.

"Facility Exposure" shall mean, with respect to any Lender, the sum of (a) the Outstanding Revolving Extensions of Credit of such Lender, (b) the aggregate outstanding principal amount of any Competitive Loans made by such Lender and (c) in the case of a Swingline Lender, the aggregate outstanding principal amount of any Quoted Swingline Loans made by such Swingline Lender.

"Facility Fees" shall mean all fees payable pursuant to Section 2.9(a).

"Federal Funds Effective Rate" shall have the meaning assigned to such term in the definition of "Alternate Base Rate".

"Fees" shall mean the Facility Fees, the Administrative Agent's Fees, the Issuing Lender Fees, the LC Fees and the Utilization Fees.

"Financial Covenant" shall mean the financial covenant contained in Section 5.7.

"Financial Letter of Credit" shall mean any Letter of Credit that, as determined by the Administrative Agent acting in good faith, (a) supports a financial obligation and (b) qualifies for the 100% credit conversion factor under the applicable Bank for International Settlements guidelines.

"Financial Officer" of any corporation shall mean its Chief Financial Officer, its Vice President and Treasurer or its Vice President and Chief Accounting Officer or, in each case, any comparable officer or any Person designated by any such officer.

"Five-Year Credit Agreement" shall mean the five-year credit agreement, dated the date hereof, among Viacom, Viacom International, each subsidiary borrower, the lenders party thereto, Chase, as administrative agent, and Salomon Smith Barney Inc., as syndication agent.

"Foreign Currency" shall mean any currency other than Dollars which is readily transferable and readily convertible by the relevant Lender or Issuing Lender, as the case may be, into Dollars in the London interbank market.

"Foreign Exchange Rate" shall mean, with respect to any Foreign Currency on a particular date, the rate at which such Foreign Currency may be exchanged into Dollars, determined by reference to the selling rate in respect of such Foreign Currency published in the "Wall Street Journal" on the relevant date of determination. In the event that such rate is not, or ceases to be, so published by the "Wall Street Journal", the "Foreign Exchange Rate" with respect to such Foreign Currency shall be determined by reference to such other publicly available source for determining exchange rates as may be agreed upon by the Administrative Agent and Viacom or, in the absence of such agreement, such "Foreign Exchange Rate" shall

instead be the Administrative Agent's spot rate of exchange in the interbank market where its foreign currency exchange operations in respect of such Foreign Currency are then being conducted, at or about 12:00 noon, local time, at such date for the purchase of Dollars with such Foreign Currency, for delivery two banking days later.

"GAAP" shall mean generally accepted accounting principles.

"Governmental Authority" shall mean any Federal, state, local or foreign court or governmental agency, authority, instrumentality or regulatory body.

"Granting Bank" shall have to meaning specified in Section 9.4(i).

"Guarantee" of or by any Person shall mean any obligation, contingent or otherwise, of such Person guaranteeing or entered into with the purpose of guaranteeing any Indebtedness of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or to purchase (or to advance or supply funds for the purchase of) any security for the payment of such Indebtedness, (b) to purchase Property, securities or services for the purpose of assuring the owner of such Indebtedness of the payment of such Indebtedness or (c) to maintain working capital, equity capital or other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness; provided, however, that the term "Guarantee" shall not include endorsements for collection or deposit, in either case in the ordinary course of business.

"Indebtedness" of any Person shall mean at any date, without duplication, (i) all obligations of such Person for borrowed money (including, without limitation, in the case of any Borrower, the obligations of such Borrower for borrowed money under this Agreement), (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of Property or services, except as provided below, (iv) all obligations of such Person as lessee under Capital Lease Obligations, (v) all Indebtedness of others secured by a Lien on any Property of such Person, whether or not such Indebtedness is assumed by such Person, (vi) all Indebtedness of others directly or indirectly guaranteed or otherwise assumed by such Person, including any obligations of others endorsed (otherwise than for collection or deposit in the ordinary course of business) or discounted or sold with recourse by such Person, or in respect of which such Person is otherwise directly or indirectly liable, including, without limitation, any Indebtedness in effect guaranteed by such Person through any agreement (contingent or otherwise) to purchase, repurchase or otherwise acquire such obligation or any security therefor, or to provide funds for the payment or discharge of such obligation, or to maintain the solvency or any balance sheet or other financial condition of the obligor of such obligation, provided that Indebtedness of Viacom and its Subsidiaries shall not include (a) guarantees in existence on the date hereof of Indebtedness of Discontinued Operations and (b) guarantees of Indebtedness that are identified on Schedule 1.1(a) hereto, (vii) all obligations of such Person as issuer, customer or account party under letters of credit or bankers' acceptances that are either drawn or that back financial obligations that would otherwise be Indebtedness; provided, however, that in each of the foregoing clauses (i) through (vii), Indebtedness shall not include obligations (other than under

this Agreement) specifically with respect to the production, distribution and acquisition of motion pictures or other programming rights, talent or publishing rights.

"Infinity" shall mean Infinity Broadcasting Corporation, a Delaware corporation.

"Interest Payment Date" shall mean (a) with respect to any Eurodollar Loan or Absolute Rate Loan, the last day of the Interest Period applicable thereto and, in the case of a Eurodollar Loan with an Interest Period of more than three months' duration or an Absolute Rate Loan with an Interest Period of more than 90 days' duration, each day that would have been an Interest Payment Date for such Loan had successive Interest Periods of three months' duration or 90 days' duration, as the case may be, been applicable to such Loan and, in addition, the date of any conversion of any Eurodollar Revolving Credit Loan to an ABR Loan, the date of repayment or prepayment of any Eurodollar Loan and the applicable Maturity Date; (b) with respect to any ABR Loan (other than an ABR Swingline Loan which is not an Unrefunded Swingline Loan), the last day of each March, June, September and December and the applicable Maturity Date; (c) with respect to any ABR Swingline Loan (other than an Unrefunded Swingline Loan), the earlier of (i) the day that is five Business Days after such Loan is made and (ii) the Revolving Credit Maturity Date and (d) with respect to any Quoted Swingline Loan, the date established as such by the relevant Swingline Borrower and the relevant Swingline Lender prior to the making thereof (but in any event no later than the Revolving Credit Maturity Date).

"Interest Period" shall mean (a) as to any Eurodollar Loan, the period commencing on the borrowing date or conversion date of such Loan, or on the last day of the immediately preceding Interest Period applicable to such Loan, as the case may be, and ending on the numerically corresponding day (or, if there is no numerically corresponding day, on the last day) in the calendar month that is 7 days (subject to the prior consent of each Lender) or 1, 2, 3 or 6 months or (subject to the prior consent of each Lender) 9 or 12 months thereafter, as the relevant Borrower may elect, and (b) as to any Absolute Rate Loan, the period commencing on the date of such Loan and ending on the date specified in the Competitive Bids in which the offer to make such Absolute Rate Loan was extended; provided, however, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of Eurodollar Loans only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) notwithstanding anything to the contrary herein, no Borrower may select an Interest Period which would end after the Maturity Date applicable to the relevant Loan. Interest shall accrue from and including that first day of an Interest Period to but excluding the last day of such Interest Period.

"Issuing Lender" shall mean any Lender designated as an Issuing Lender in an Issuing Lender Agreement executed by such Lender, Viacom and the Administrative Agent; provided, that the Issuing Lender may, in its discretion, arrange for one or more Letters of Credit to be issued by any of its Lender Affiliates (in which case the term "Issuing Lender" shall include such Lender Affiliate with respect to Letters of Credit issued by such Lender Affiliate); provided, further, with respect to any Designated Letter of Credit, the Lender or Lender Affiliate of such Lender which issued such Designated Letter of Credit.

"Issuing Lender Agreement" shall mean an agreement, substantially in the form of Exhibit F, executed by a Lender, Viacom, and the Administrative Agent pursuant to which such Lender agrees to become an Issuing Lender hereunder.

"Issuing Lender Fees" shall mean, as to any Issuing Lender, the fees set forth in the applicable Issuing Lender Agreement.

"LC Disbursement" shall mean any payment or disbursement made by an Issuing Lender under or pursuant to a Letter of Credit.

"LC Exposure" shall mean, as to each Lender, such Lender's Revolving Credit Percentage of the Aggregate LC Exposure.

"LC Fee" shall have the meaning assigned such term in Section 2.9(b).

"Lender Affiliate" shall mean, (a) with respect to any Lender, (i) an affiliate of such Lender or (ii) any entity (whether a corporation, partnership, trust or otherwise) that is engaged in making, purchasing, holding or otherwise investing in bank loans and similar extensions of credit in the ordinary course of its business and is administered or managed by a Lender or an affiliate of such Lender and (b) with respect to any Lender that is a fund which invests in bank loans and similar extensions of credit, any other fund that invests in bank loans and similar extensions of credit and is managed by the same investment advisor as such Lender or by an affiliate of such investment advisor.

"Lenders" shall have the meaning assigned to such term in the preamble to this Agreement.

"Letters of Credit" shall mean letters of credit or bank guarantees issued by an Issuing Lender for the account of Viacom or any Subsidiary Borrower pursuant to Section 2.7(including any Designated Letters of Credit).

"Lien" shall mean any mortgage, deed of trust, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), security interest or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever, including, without limitation, any conditional sale or other title retention agreement.

"Loan" shall mean any loan made by a Lender hereunder.

"Loan Documents" shall mean this Agreement and the Administrative Agent Fee Letter.

"Margin" shall mean, as to any Eurodollar Competitive Loan, the margin (expressed as a percentage rate per annum in the form of a decimal rounded to no more than four places) to be added to or subtracted from the Eurodollar Rate in order to determine the interest rate applicable to such Loan, as specified in the Competitive Bid relating to such Loan.

"Margin Stock" shall have the meaning assigned to such term under Regulation U.

"Material Acquisition" shall mean any acquisition of Property or series of related acquisitions of Property (including by way of merger) which (a) constitutes assets comprising all or substantially all of an operating unit of a business or constitutes all or substantially all of the common stock of a Person and (b) involves the payment of consideration by Viacom and its Subsidiaries (valued at the initial principal amount thereof in the case of non-cash consideration consisting of notes or other debt securities and valued at fair market value in the case of other non-cash consideration) in excess of \$100,000,000.

"Material Adverse Effect" shall mean (a) a material adverse effect on the Property, business, results of operations or financial condition of Viacom and its Subsidiaries taken as a whole or (b) material impairment of the ability of Viacom to perform any of its obligations under this Agreement.

"Material Disposition" shall mean any Disposition of Property or series of related Dispositions of Property which yields gross proceeds to Viacom or any of its Subsidiaries (valued at the initial principal amount thereof in the case of non-cash proceeds consisting of notes or other debt securities and valued at fair market value in the case of other non-cash proceeds) in excess of \$100,000,000.

"Material Subsidiary" shall mean any "significant subsidiary" of Viacom as defined in Regulation S-X of the SEC; provided, that each Subsidiary Borrower shall in any event constitute a Material Subsidiary.

"Maturity Date" shall mean (a) in the case of the Revolving Credit Loans and the ABR Swingline Loans, the Revolving Credit Maturity Date, (b) in the case of the Quoted Swingline Loans, the date established as such by the relevant Swingline Borrower and the relevant Swingline Lender prior to the making thereof (but in any event no later than the Revolving Credit Maturity Date) and (c) in the case of Competitive Loans, the last day of the Interest Period applicable thereto, as specified in the related Competitive Bid Request.

"Moody's" shall mean Moody's Investors Service, Inc.

"Multiemployer Plan" shall mean a multiemployer plan as defined in Section 3(37) of ERISA to which contributions have been made by Viacom or any ERISA Affiliate of Viacom and which is covered by Title IV of ERISA.

"New Lender" shall have the meaning assigned to such term in Section 2.13(d).

"New Lender Supplement" shall mean the agreement made pursuant to Section 2.13(d) substantially in the form of Exhibit G.

"Non-Financial Letter of Credit" shall mean any Letter of Credit that is not a Financial Letter of Credit.

"Non-U.S. Person" shall have the meaning assigned to such term in Section 2.20(f).

"Other Taxes" shall mean any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

"Outstanding Revolving Extensions of Credit" shall mean, as to any Lender at any time, an amount equal to the sum of (a) the aggregate principal amount of all Revolving Credit Loans made by such Lender then outstanding, (b) such Lender's LC Exposure at such time and (c) such Lender's ABR Swingline Exposure at such time.

"PBGC" shall mean the Pension Benefit Guaranty Corporation referred to and defined in ERISA, or any successor thereto.

"Person" shall mean any natural person, corporation, business trust, joint venture, association, company, partnership, limited liability company or other entity, or any government or any agency or political subdivision thereof.

"Plan" shall mean any employee pension benefit plan as defined in Section 3(2) of ERISA (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code and which is maintained for employees of Viacom or any ERISA Affiliate.

"Prime Rate" shall have the meaning assigned to such term in the definition of "Alternate Base Rate".

"Pro Forma Period" shall have the meaning assigned to such term in Section 1.2(c).

"Property" shall mean any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible, including, without limitation, Capital Stock.

"Quoted Swingline Loans" shall have the meaning assigned to such term in Section 2.6(a).

"Quoted Swingline Rate" shall have the meaning assigned to such term in Section 2.6(a).

"Rating Agencies" shall mean S&P and Moody's.

"Reference Banks" shall mean Chase, Citibank N.A. and Bank of America, N.A.

"Register" shall have the meaning assigned to such term in Section 9.4(d).

"Regulation D" shall mean Regulation D of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Regulation U" shall mean Regulation U of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Required Lenders" shall mean, at any time, Lenders whose respective Total Facility Percentages aggregate more than 50%.

"Responsible Officer" of any corporation shall mean any executive officer or Financial Officer of such corporation and any other officer or similar official thereof responsible for the administration of the obligations of such corporation in respect of this Agreement (or, in the case of matters relating to ERISA, any officer responsible for the administration of the pension funds of such corporation).

"Revolving Credit Borrowing Request" shall mean a request made pursuant to Section 2.4 in the form of Exhibit B-4.

"Revolving Credit Loans" shall mean the revolving loans made by the Lenders to any Borrower pursuant to Section 2.4. Each Revolving Credit Loan shall be a Eurodollar Loan or an ABR Loan.

"Revolving Credit Maturity Date" shall mean May 3, 2005.

"Revolving Credit Percentage" of any Lender at any time shall mean the percentage of the aggregate Commitments (or, following any termination of all the Commitments, the Commitments most recently in effect) represented by such Lender's Commitment (or, following any such termination, the Commitment of such Lender most recently in effect).

"S&P" shall mean Standard & Poor's Ratings Services.

"SEC" shall mean the Securities and Exchange Commission.

"SPC" shall have the meaning specified in Section 9.4(i).

"Spot Rate" shall mean, at any date, the Administrative Agent's or Lender's, as the case may be, (or, for purposes of determinations in respect of the Aggregate LC Exposure related to Letters of Credit issued in a Foreign Currency, the Issuing Lender's or Issuing Lenders', as the case may be) spot buying rate for the relevant Foreign Currency against Dollars as of approximately 11:00 a.m. (London time) on such date for settlement on the second Business Day.

"Subsidiary" shall mean, for any Person (the "Parent"), any corporation, partnership or other entity of which shares of Voting Capital Stock sufficient to elect a majority of the board of directors or other Persons performing similar functions of such corporation, partnership or other entity (irrespective of whether or not at the time securities or other ownership interests of any other class or classes of such corporation, partnership or other entity shall have or might have voting power by reason of the happening of any contingency) are at the time directly or indirectly owned or controlled by the Parent or one or more of its Subsidiaries or by the Parent and one or more of its Subsidiaries. Unless otherwise qualified, all references to a

"Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of Viacom.

"Subsidiary Borrower" shall mean any Subsidiary of Viacom (a) which is designated as a Subsidiary Borrower by Viacom pursuant to a Subsidiary Borrower Designation, (b) which has delivered to the Administrative Agent a Subsidiary Borrower Request and (c) whose designation as a Subsidiary Borrower has not been terminated pursuant to Section 4.2. No Subsidiary of Viacom incorporated in Canada or any province or territory thereof may be a Subsidiary Borrower hereunder.

"Subsidiary Borrower Designation" shall mean a designation, substantially in the form of Exhibit B-7, which may be delivered by Viacom and approved by Viacom and shall be accompanied by a Subsidiary Borrower Request.

"Subsidiary Borrower Obligations" shall mean, with respect to each Subsidiary Borrower, the unpaid principal of and interest on the Loans made to such Subsidiary Borrower (including, without limitation, interest accruing after the maturity of the Loans made to such Subsidiary Borrower and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to such Subsidiary Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) and all other obligations and liabilities of such Subsidiary Borrower to the Administrative Agent or to any Lender, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement.

"Subsidiary Borrower Request" shall mean a request, substantially in the form of Exhibit B-8, which is received by the Administrative Agent in connection with a Subsidiary Borrower Designation.

"Swingline Borrower" shall mean Viacom and any Subsidiary Borrower designated as a "Swingline Borrower" by Viacom in a written notice to the Administrative Agent; provided, that, unless otherwise agreed by the Administrative Agent, no more than one Subsidiary Borrower may be a Swingline Borrower at any one time. Only a Subsidiary Borrower which is a U.S. Person may be a Swingline Borrower.

"Swingline Commitment" shall mean, (i) with respect to any Swingline Lender, the Commitment of such Lender to make ABR Swingline Loans pursuant to Section 2.6, as designated in accordance with Section 2.6(g) and as set forth on Schedule 1.1, and, (ii) in the aggregate, \$300,000,000.

"Swingline Lender" shall mean The Chase Manhattan Bank and any other Lender designated from time to time by Viacom, and approved by such Lender, as a "Swingline Lender" pursuant to Section 2.6(g).

"Swingline Loans" shall mean the collective reference to the ABR Swingline Loans and the Quoted Swingline Loans.

"Swingline Percentage" of any Swingline Lender at any time shall mean the percentage of the aggregate Swingline Commitments represented by such Swingline Lender's Swingline Commitment.

"Test Period" shall have the meaning assigned to such term in Section 1.2(c).

"364-Day Credit Agreement" shall mean the 364-day credit agreement, dated the date hereof, among Viacom, Viacom International, each subsidiary borrower, the lenders party thereto, Chase, as administrative agent, and Salomon Smith Barney Inc., as syndication agent.

"Total Commitment" shall mean at any time the aggregate amount of the Commitments in effect at such time.

"Total Facility Exposure" shall mean at any time the aggregate amount of the Facility Exposures at such time.

"Total Facility Percentage" shall mean, as to any Lender at any time, the quotient (expressed as a percentage) of (a) such Lender's Commitment (or (x) for the purposes of acceleration of the Loans pursuant to clause (II) of Article VI or (y) if the Commitments have terminated, such Lender's Facility Exposure) and (b) the aggregate of all Lenders' Commitments (or (x) for the purposes of acceleration of the Loans pursuant to clause (II) of Article VI or (y) if the Commitments have terminated, the Total Facility Exposure).

"Transferee" shall mean any assignee or participant described in Section 9.4(b) or (f).

"Type" when used in respect of any Loan, shall refer to the Rate by reference to which interest on such Loan is determined. For purposes hereof, "Rate" shall mean the Eurodollar Rate, the Alternate Base Rate, the Quoted Swingline Rate and the rate paid on Absolute Rate Loans.

"Unrefunded Swingline Loans" shall have the meaning assigned to such term in Section 2.6(d).

"U.S. Person" shall mean a citizen, national or resident of the United States of America, or an entity organized in or under the laws of the United States of America.

"Utilization Fee" shall have the meaning assigned to such term in Section 2.9(e).

"Viacom" shall have the meaning assigned to such term in the preamble to this Agreement.

"Viacom International" shall have the meaning assigned to such term in the preamble to this Agreement.

"Viacom Obligations" shall mean, with respect to Viacom, the unpaid principal of and interest on the Loans made to Viacom (including, without limitation, interest accruing after the maturity of the Loans made to Viacom and interest accruing after the filing of any petition in

bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to Viacom, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) and all other obligations, including its Guarantee obligations hereunder, and liabilities of Viacom to the Administrative Agent or to any Lender, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement.

"Voting Capital Stock" shall mean securities or other ownership interests of a corporation, partnership or other entity having by the terms thereof ordinary voting power to vote in the election of the board of directors or other Persons performing similar functions of such corporation, partnership or other entity (without regard to the occurrence of any contingency).

"Wholly Owned Subsidiary" shall mean any Subsidiary of which all shares of Voting Capital Stock (other than, in the case of a corporation, directors' qualifying shares) are owned directly or indirectly by the Parent (as defined in the definition of "Subsidiary").

SECTION 1.2. "Terms Generally".

(a) The definitions in Section 1.1 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall, except where the context otherwise requires, be deemed to be followed by the phrase "without limitation". All references herein to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require.

(b) Except as otherwise expressly provided herein, all terms of an accounting nature shall be construed in accordance with GAAP in effect from time to time. The parties hereto agree, however, that in the event that any change in accounting principles from those used in the preparation of the financial statements referred to in Section 3.2 is hereafter occasioned by the promulgation of rules, regulations, pronouncements, opinions and statements by or required by the Financial Accounting Standards Board or Accounting Principles Board or the American Institute of Certified Public Accountants (or successors thereto or agencies with similar functions) and such change materially affects the calculation of any component of the Financial Covenant or any standard or term contained in this Agreement, the Administrative Agent and Viacom shall negotiate in good faith to amend such Financial Covenant, standards or terms found in this Agreement (other than in respect of financial statements to be delivered hereunder) so that, upon adoption of such changes, the criteria for evaluation of Viacom's and its Subsidiaries' financial condition shall be the same after such change as if such change had not been made; provided, however, that (i) any such amendments shall not become effective for purposes of this Agreement unless approved by the Required Lenders and (ii) if Viacom and the Required Lenders cannot agree on such an amendment, then the calculations under such Financial Covenant, standards or terms shall continue to be computed without giving effect to such change in accounting principles; provided further, however, that the parties hereto agree that Viacom and its Subsidiaries shall adopt Statement of Position 00-2, "Accounting by Producers or Distributors of Films" effective as from January 1, 2000.

(c) For the purposes of calculating Consolidated EBITDA and Consolidated Interest Expense for any period (a "Test Period"), (i) if at any time from the period (a "Pro Forma Period") commencing on the second day of such Test Period and ending on the date which is ten days prior to the date of delivery of the Compliance Certificate in respect of such Test Period (or, in the case of any pro forma calculation made pursuant hereto in respect of a particular transaction, ending on the date such transaction is consummated after giving effect thereto), Viacom or any Subsidiary shall have made any Material Disposition, the Consolidated EBITDA for such Test Period shall be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the Property which is the subject of such Material Disposition for such Test Period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such Test Period, and Consolidated Interest Expense for such Test Period shall be reduced by an amount equal to the Consolidated Interest Expense for such Test Period attributable to any Indebtedness of Viacom or any Subsidiary repaid, repurchased, defeased or otherwise discharged with respect to Viacom and its Subsidiaries in connection with such Material Disposition (or, if the Capital Stock of any Subsidiary is sold, the Consolidated Interest Expense for such Test Period directly attributable to the Indebtedness of such Subsidiary to the extent Viacom and its continuing Subsidiaries are no longer liable for such Indebtedness after such Disposition); (ii) if during such Pro Forma Period Viacom or any Subsidiary shall have made a Material Acquisition, Consolidated EBITDA and Consolidated Interest Expense for such Test Period shall be calculated after giving pro forma effect thereto (including the incurrence or assumption of any Indebtedness in connection therewith) as if such Material Acquisition (and the incurrence or assumption of any such Indebtedness) occurred on the first day of such Test Period; and (iii) if during such Pro Forma Period any Person that subsequently became a Subsidiary or was merged with or into Viacom or any Subsidiary since the beginning of such Pro Forma Period shall have entered into any disposition or acquisition transaction that would have required an adjustment pursuant to clause (i) or (ii) above if made by Viacom or a Subsidiary during such Pro Forma Period, Consolidated EBITDA and Consolidated Interest Expense for such Test Period shall be calculated after giving pro forma effect thereto as if such transaction occurred on the first day of such Test Period. For the purposes of this paragraph, whenever pro forma effect is to be given to a Material Disposition or Material Acquisition, the amount of income or earnings relating thereto and the amount of Consolidated Interest Expense associated with any Indebtedness discharged or incurred in connection therewith, the pro forma calculations shall be determined in good faith by a Financial Officer of Viacom. If any Indebtedness bears a floating rate of interest and the incurrence or assumption thereof is being given pro forma effect, the interest expense on such Indebtedness shall be calculated as if the rate in effect on the last day of the relevant Pro Forma Period had been the applicable rate for the entire relevant Test Period (taking into account any interest rate protection agreement applicable to such Indebtedness if such interest rate protection agreement has a remaining term in excess of 12 months). Comparable adjustments shall be made in connection with any determination of Consolidated EBITDA.

(d) For purposes of the Financial Covenant, (i) the Discontinued Operations shall be disregarded and (ii) the businesses classified as Discontinued Operations shall be limited to those businesses treated as such in the financial statements of Viacom referred to in the definition of "Discontinued Operations" and the accounting treatment of Discontinued Operations shall be consistent with the accounting treatment thereof in such financial statements.

ARTICLE II

THE CREDITS

SECTION 2.1. Commitments.

Subject to the terms and conditions hereof and relying upon the representations and warranties herein set forth, each Lender agrees, severally and not jointly, to make Revolving Credit Loans to Viacom or any Subsidiary Borrower, at any time and from time to time on and after the Closing Date and until the earlier of (a) the Business Day immediately preceding the Revolving Credit Maturity Date and (b) the termination of the Commitment of such Lender, in an aggregate principal amount at any time outstanding not to exceed such Lender's Commitment. Each Borrower may borrow, prepay and reborrow Revolving Credit Loans on and after the Closing Date and prior to the Revolving Credit Maturity Date, subject to the terms, conditions and limitations set forth herein.

SECTION 2.2. Revolving Credit Loans; Competitive Loans.

(a) Each Revolving Credit Loan shall be made to the relevant Borrower by the Lenders ratably in accordance with their respective Commitments. Each Competitive Loan shall be made to the relevant Borrower by the Lender whose Competitive Bid therefor is accepted, and in the amount so accepted, in accordance with the procedures set forth in Section 2.3. The Revolving Credit Loans or Competitive Loans shall be made in minimum amounts equal to (i) in the case of Competitive Loans, \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof, (ii) in the case of Eurodollar Revolving Credit Loans, \$50,000,000 or an integral multiple of \$5,000,000 in excess thereof, and (iii) in the case of ABR Revolving Credit Loans, \$25,000,000 or an integral multiple of \$5,000,000 in excess thereof (or an aggregate principal amount equal to the remaining balance of the available Total Commitment).

(b) Each Lender shall make each Loan (other than a Swingline Loan, as to which this Section 2.2 shall not apply) to be made by it on the proposed date thereof by wire transfer of immediately available funds to the Administrative Agent in New York, New York, not later than 12:00 noon, New York City time (or, in connection with an ABR Loan to be made on the same day on which a notice is submitted, 12:30 p.m., New York City time) and the Administrative Agent shall by 3:00 p.m., New York City time, credit the amounts so received to the general deposit account of the relevant Borrower with the Administrative Agent.

SECTION 2.3. Competitive Bid Procedure.

(a) In order to request Competitive Bids, the relevant Borrower shall hand deliver or telecopy to the Administrative Agent a duly completed Competitive Bid Request in the form of Exhibit B-1, to be received by the Administrative Agent (i) in the case of a Eurodollar Competitive Loan in Dollars, not later than 10:00 a.m., New York City time, four Business Days before a proposed Competitive Loan, (ii) in the case of a Eurodollar Competitive Loan in a Foreign Currency, not

later than 10:00 a.m., New York City time, five Business Days before a proposed Competitive Loan, (iii) in the case of an Absolute Rate Loan in Dollars, not later than 10:00 a.m., New York City time, one Business Day before a proposed Competitive Loan and (iv) in the case of an Absolute Rate Loan in a Foreign Currency, not later than 10:00 a.m., New York City time, three Business Day before a proposed Competitive Loan. A Competitive Bid Request (A) that does not conform substantially to the format of Exhibit B-1 may be rejected in the Administrative Agent's discretion (exercised in good faith), and, (B) for a Competitive Loan denominated in a Foreign Currency will be rejected by the Administrative Agent if, after giving effect thereto, the Dollar equivalent of the aggregate face amount of all Competitive Loans denominated in Foreign Currencies then outstanding would exceed \$150,000,000, as determined by the Administrative Agent, and, in each case, the Administrative Agent shall promptly notify the relevant Borrower of such rejection by telephone, confirmed by telecopier. Such request shall in each case refer to this Agreement and specify (w) whether the Competitive Loan then being requested is to be a Eurodollar Competitive Loan or an Absolute Rate Loan, (x) the currency, (y) the date of such Loan (which shall be a Business Day) and the aggregate principal amount thereof which shall be in a minimum principal amount of the equivalent of \$5,000,000 and, in the case of a Competitive Bid for a Competitive Loan in Dollars, in an integral multiple of \$1,000,000, and (z) the Interest Period with respect thereto (which may not end after the Revolving Credit Maturity Date). Promptly after its receipt of a Competitive Bid Request that is not rejected as aforesaid (and in any event by 5:00 p.m., New York City time, on the date of such receipt if such receipt occurs by the time specified in the first sentence of this paragraph), the Administrative Agent shall invite by telecopier (in the form set forth in Exhibit B-2) the Lenders to bid, on the terms and conditions of this Agreement, to make Competitive Loans pursuant to such Competitive Bid Request.

(b) Each Lender may, in its sole discretion, make one or more Competitive Bids to the relevant Borrower responsive to a Competitive Bid Request. Each Competitive Bid must be received by the Administrative Agent by telecopier, in the form of Exhibit B-3, (i) in the case of a Eurodollar Competitive Loan in Dollars, not later than 9:30 a.m., New York City time, three Business Days before a proposed Competitive Loan, (ii) in the case of a Eurodollar Competitive Loan in a Foreign Currency, not later than 9:30 a.m., New York City time, four Business Days before a proposed Competitive Loan, (iii) in the case of an Absolute Rate Loan in Dollars, not later than 9:30 a.m., New York City time, on the day of a proposed Competitive Loan, and (iv) in the case of an Absolute Rate Loan in a Foreign Currency, not later than 9:30 a.m., New York City time, two days before a proposed Competitive Loan. Multiple Competitive Bids will be accepted by the Administrative Agent. Competitive Bids that do not conform substantially to the format of Exhibit B-3 may be rejected by the Administrative Agent after conferring with, and upon the instruction of, the relevant Borrower, and the Administrative Agent shall notify the Lender making such nonconforming Competitive Bid of such rejection as soon as practicable. Each Competitive Bid shall refer to this Agreement and specify (x) the principal amount in the relevant currency (which shall be in a minimum principal amount of the equivalent of \$5,000,000 and, in the case of a Competitive Bid for a Competitive Loan in Dollars, in an integral multiple of \$1,000,000 and which may equal the entire principal amount of the Competitive Loan requested by the relevant Borrower) of the Competitive Loan or Loans that the applicable Lender is willing to make to the relevant Borrower, (y) the Competitive Bid Rate or Rates at which such Lender is prepared to make the Competitive Loan or Loans and (z) the Interest Period and the last day thereof. A Competitive Bid submitted pursuant to this paragraph

(b) shall be irrevocable (subject to the satisfaction of the conditions to borrowing set forth in Article IV).

(c) The Administrative Agent shall promptly (and in any event by 10:15 a.m., New York City time, on the date on which such Competitive Bids shall have been made) notify the relevant Borrower by telecopier of all the Competitive Bids made, the Competitive Bid Rate and the principal amount in the relevant currency of each Competitive Loan in respect of which a Competitive Bid was made and the identity of the Lender that made each Competitive Bid. The Administrative Agent shall send a copy of all Competitive Bids to the relevant Borrower for its records as soon as practicable after completion of the bidding process set forth in this Section 2.3.

(d) The relevant Borrower may in its sole and absolute discretion, subject only to the provisions of this paragraph (d), accept or reject any Competitive Bid referred to in paragraph (c) above. The relevant Borrower shall notify the Administrative Agent by telephone, confirmed by telecopier in such form as may be agreed upon by such Borrower and the Administrative Agent, whether and to what extent it has decided to accept or reject any of or all the Competitive Bids referred to in paragraph (c) above, (i) in the case of a Eurodollar Competitive Loan in Dollars, not later than 11:00 a.m., New York City time, three Business Days before a proposed Competitive Loan, (ii) in the case of a Eurodollar Competitive Loan in a Foreign Currency, not later than 11:00 a.m., New York City time, four Business Days before a proposed Competitive Loan, (iii) in the case of an Absolute Rate Loan in Dollars, not later than 11:00 a.m., New York City time, on the day of a proposed Competitive Loan, and (iv) in the case of an Absolute Rate Loan in a Foreign Currency, not later than 11:00 a.m., New York City time, on the day before a proposed Competitive Loan; provided, however, that (A) the failure by such Borrower to give such notice shall be deemed to be a rejection of all the Competitive Bids referred to in paragraph (c) above, (B) such Borrower shall not accept a Competitive Bid made at a particular Competitive Bid Rate if it has decided to reject a Competitive Bid made at a lower Competitive Bid Rate, (C) the aggregate amount of the Competitive Bids accepted by such Borrower shall not exceed the principal amount specified in the Competitive Bid Request (but may be less than that requested), (D) if such Borrower shall accept a Competitive Bid or Competitive Bids made at a particular Competitive Bid Rate but the amount of such Competitive Bid or Competitive Bids shall cause the total amount of Competitive Bids to be accepted by it to exceed the amount specified in the Competitive Bid Request, then such Borrower shall accept a portion of such Competitive Bid or Competitive Bids in an amount equal to the amount specified in the Competitive Bid Request less the amount of all other Competitive Bids accepted with respect to such Competitive Bid Request, which acceptance, in the case of multiple Competitive Bids at such Competitive Bid Rate, shall be made pro rata in accordance with the amount of each such Competitive Bid at such Competitive Bid Rate, and (E) except pursuant to clause (D) above no Competitive Bid shall be accepted for a Competitive Loan unless such Competitive Loan is in a minimum principal amount of the equivalent of \$5,000,000 and, in the case of a Competitive Bid for a Competitive Loan in Dollars, an integral amount multiple of \$1,000,000; provided, further, however, that if a Competitive Loan must be in an amount less than the equivalent of \$5,000,000 because of the provisions of clause (D) above, such Competitive Loan may be for a minimum of, in the case of a Competitive Bid for a Competitive Loan in Dollars, \$1,000,000 or any integral multiple thereof, and in calculating the pro rata allocation of acceptances of portions of multiple

Competitive Bids at a particular Competitive Bid Rate pursuant to clause (D) above the amounts shall be rounded to integral multiples of the equivalent of \$1,000,000 (or, in the case of a Competitive Bid for a Competitive Loan in a Foreign Currency, a multiple selected by the Administrative Agent) in a manner which shall be in the discretion of such Borrower. A notice given by any Borrower pursuant to this paragraph (d) shall be irrevocable.

(e) The Administrative Agent shall promptly notify each bidding Lender whether or not its Competitive Bid has been accepted (and if so, in what amount and at what Competitive Bid Rate) by telecopy sent by the Administrative Agent, and each successful bidder will thereupon become bound, subject to the other applicable conditions hereof, to make the Competitive Loan in respect of which its Competitive Bid has been accepted.

(f) On the date the Competitive Loan is to be made, each Lender participating therein shall (i) if such Competitive Loan is to be made in Dollars, make available its share of such Competitive Loan in Dollars not later than 2:00 p.m. New York City time, in immediately available funds, in New York to the Administrative Agent as notified by the Administrative Agent by two Business Days notice and (ii) if such Competitive Loan is to be made in a Foreign Currency, make available its share of such Competitive Loan in such Foreign Currency not later than 11:00 a.m. London time, in immediately available funds, in London to the Administrative Agent as notified by the Administrative Agent by two Business Days notice.

(g) If the Lender which is the Administrative Agent shall elect to submit a Competitive Bid in its capacity as a Lender, it shall submit such Competitive Bid directly to the relevant Borrower at least one quarter of an hour earlier than the latest time at which the other Lenders are required to submit their Competitive Bids to the Administrative Agent pursuant to paragraph (b) above.

(h) All notices required by this Section 2.3 shall be given in accordance with Section 9.1.

(i) No Borrower shall have the right to prepay any Competitive Loan without the consent of the Lender or Lenders making such Competitive Loan.

SECTION 2.4. Revolving Credit Borrowing Procedure.

In order to request a Revolving Credit Loan, the relevant Borrower shall hand deliver or telecopy to the Administrative Agent a Revolving Credit Borrowing Request in the form of Exhibit B-4 (a) in the case of a Eurodollar Revolving Credit Loan, not later than 11:00 a.m., New York City time, three Business Days before a proposed borrowing and (b) in the case of an ABR Revolving Credit Loan, not later than 11:00 a.m., New York City time, on the day of a proposed borrowing. Such notice shall be irrevocable and shall in each case specify (i) whether the Revolving Credit Loan then being requested is to be a Eurodollar Revolving Credit Loan or an ABR Revolving Credit Loan, (ii) the date of such Revolving Credit Loan (which shall be a Business Day) and the amount thereof; and (iii) in the case of a Eurodollar Revolving Credit Loan, the Interest Period with respect thereto. The Administrative Agent shall promptly advise the Lenders of any notice given pursuant to this Section 2.4 and of each Lender's portion of the requested Loan.

SECTION 2.5. Repayment of Loans.

Each Borrower shall repay all outstanding Revolving Credit Loans and ABR Swingline Loans made to it, in each case on the Revolving Credit Maturity Date (or such earlier date on which the Commitments shall terminate in accordance herewith). Each Borrower shall repay Quoted Swingline Loans and Competitive Loans made to it, in each case on the Maturity Date applicable thereto. Each Loan shall bear interest from and including the date thereof on the outstanding principal balance thereof as set forth in Section 2.10.

SECTION 2.6. Swingline Loans.

(a) Subject to the terms and conditions hereof and relying upon the representations and warranties herein set forth, each Swingline Lender agrees, severally and not jointly, at any time and from time to time on and after the Closing Date and until the earlier of the Business Day immediately preceding the Revolving Credit Maturity Date and the termination of the Swingline Commitment of such Swingline Lender, (i) to make available to any Swingline Borrower Swingline Loans ("Quoted Swingline Loans") on the basis of quoted interest rates (each, a "Quoted Swingline Rate") furnished by such Swingline Lender from time to time in its discretion to such Swingline Borrower (through the Administrative Agent) and accepted by such Swingline Borrower in its discretion and (ii) to make Swingline Loans ("ABR Swingline Loans") to any Swingline Borrower bearing interest at a rate equal to the Alternate Base Rate in an aggregate principal amount (in the case of this clause (ii)) not to exceed such Swingline Lender's Swingline Commitment. The aggregate outstanding principal amount of the Quoted Swingline Loans of any Swingline Lender, when added to the aggregate outstanding principal amount of the ABR Swingline Loans of such Swingline Lender, may exceed such Swingline Lender's Swingline Commitment; provided, that in no event shall the aggregate outstanding principal amount of the Swingline Loans exceed the aggregate Swingline Commitments then in effect. Each Quoted Swingline Loan shall be made only by the Swingline Lender furnishing the relevant Quoted Swingline Rate. Each ABR Swingline Loan shall be made by the Swingline Lenders ratably in accordance with their respective Swingline Percentages. The Swingline Loans shall be made in a minimum aggregate principal amount of \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof (or an aggregate principal amount equal to the remaining balance of the available Swingline Commitments). Each Swingline Lender shall make the portion of each Swingline Loan to be made by it available to any Swingline Borrower by means of a credit to the general deposit account of such Swingline Borrower with the Administrative Agent or a wire transfer, at the expense of such Swingline Borrower, to an account designated in writing by such Swingline Borrower, in each case by 3:30 p.m., New York City time, on the date such Swingline Loan is requested to be made pursuant to paragraph (b) below, in immediately available funds. Each Swingline Borrower may borrow, prepay and reborrow Swingline Loans on or after the Closing Date and prior to the Revolving Credit Maturity Date (or such earlier date on which the Commitments shall terminate in accordance herewith) on the terms and subject to the conditions and limitations set forth herein.

(b) The relevant Swingline Borrower shall give the Administrative Agent telephonic, written or telecopy notice substantially in the form of Exhibit B-5 (in the case of telephonic notice, such notice shall be promptly confirmed by telecopy) no later than 2:30 p.m., New York City time (or, in the case of a proposed Quoted Swingline Loan, 12:00 noon, New

York City time), on the day of a proposed Swingline Loan. Such notice shall be delivered on a Business Day, shall be irrevocable (subject, in the case of Quoted Swingline Loans, to receipt by the relevant Swingline Borrower of Quoted Swingline Rates acceptable to it) and shall refer to this Agreement and shall specify the requested date (which shall be a Business Day) and amount of such Swingline Loan. The Administrative Agent shall promptly advise the Swingline Lenders of any notice received from any Swingline Borrower pursuant to this paragraph (b). In the event that a Swingline Borrower accepts a Quoted Swingline Rate in respect of a proposed Quoted Swingline Loan, it shall notify the Administrative Agent (which shall in turn notify the relevant Swingline Lender) of such acceptance no later than 2:30 p.m., New York City time, on the relevant borrowing date.

(c) In the event that any ABR Swingline Loan shall be outstanding for more than five Business Days, the Administrative Agent shall, on behalf of the relevant Swingline Borrower (which hereby irrevocably directs and authorizes the Administrative Agent to act on its behalf), request each Lender, including the Swingline Lenders, to make an ABR Revolving Credit Loan in an amount equal to such Lender's Revolving Credit Percentage of the principal amount of such ABR Swingline Loan. Unless an event described in Article VI, paragraph (f) or (g), has occurred and is continuing, each Lender will make the proceeds of its Revolving Credit Loan available to the Administrative Agent for the account of the Swingline Lenders at the office of the Administrative Agent prior to 12:00 Noon, New York City time, in funds immediately available on the Business Day next succeeding the date such notice is given. The proceeds of such Revolving Credit Loans shall be immediately applied to repay the ABR Swingline Loans.

(d) A Swingline Lender that has made an ABR Swingline Loan to a Borrower may at any time and for any reason, so long as Revolving Credit Loans have not been made pursuant to Section 2.6(c) to repay such ABR Swingline Loan as required by said Section, by written notice given to the Administrative Agent not later than 12:00 noon New York City time on any Business Day require the Lenders to acquire participations on such Business Day in all or a portion of such unrefunded ABR Swingline Loans (the "Unrefunded Swingline Loans"), and each Lender severally, unconditionally and irrevocably agrees that it shall purchase an undivided participating interest in such ABR Swingline Loan in an amount equal to the amount of the Revolving Credit Loan which otherwise would have been made by such Lender pursuant to Section 2.6(c), which purchase shall be funded by the time such Revolving Credit Loan would have been required to be made pursuant to Section 2.6(c). In the event that the Lenders purchase undivided participating interests pursuant to the first sentence of this paragraph (d), each Lender shall immediately transfer to the Administrative Agent, for the account of such Swingline Lender, in immediately available funds, the amount of its participation. Any Lender holding a participation in an Unrefunded Swingline Loan may exercise any and all rights of banker's lien, setoff or counterclaim with respect to any and all moneys owing by the relevant Swingline Borrower to such Lender by reason thereof as fully as if such Lender had made a Loan directly to such Swingline Borrower in the amount of such participation.

(e) Whenever, at any time after any Swingline Lender has received from any Lender such Lender's participating interest in an ABR Swingline Loan, such Swingline Lender receives any payment on account thereof, such Swingline Lender will promptly distribute to such Lender its participating interest in such amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's participating interest was

outstanding and funded)); provided, however, that in the event that such payment received by such Swingline Lender is required to be returned, such Lender will return to such Swingline Lender any portion thereof previously distributed by such Swingline Lender to it.

(f) Notwithstanding anything to the contrary in this Agreement, each Lender's obligation to make the Revolving Credit Loans referred to in Section 2.6(c) and to purchase and fund participating interests pursuant to Section 2.6(d) shall be absolute and unconditional and shall not be affected by any circumstance, including, without limitation, (i) any setoff, counterclaim, recoupment, defense or other right which such Lender or any Swingline Borrower may have against any Swingline Lender, any Swingline Borrower or any other Person for any reason whatsoever; (ii) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the conditions specified in Article IV; (iii) any adverse change in the condition (financial or otherwise) of Viacom or any of its Subsidiaries; (iv) any breach of this Agreement by any Borrower or any Lender; or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

(g) Upon written or telecopy notice to the Swingline Lenders and to the Administrative Agent, Viacom may at any time terminate, from time to time in part reduce, or from time to time (with the approval of the relevant Swingline Lender) increase, the Swingline Commitment of any Swingline Lender. At any time when there shall be fewer than ten Swingline Lenders, Viacom may appoint from among the Lenders a new Swingline Lender, subject to the prior consent of such new Swingline Lender and prior notice to the Administrative Agent, so long as at no time shall there be more than ten Swingline Lenders. Notwithstanding anything to the contrary in this Agreement, (i) if any ABR Swingline Loans shall be outstanding at the time of any termination, reduction, increase or appointment pursuant to the preceding two sentences, the Swingline Borrowers shall on the date thereof prepay or borrow ABR Swingline Loans to the extent necessary to ensure that at all times the outstanding ABR Swingline Loans held by the Swingline Lenders shall be pro rata according to the respective Swingline Commitments of the Swingline Lenders and (ii) in no event may the aggregate Swingline Commitments exceed \$300,000,000. On the date of any termination or reduction of the Swingline Commitments pursuant to this paragraph (g), the Swingline Borrowers shall pay or prepay so much of the Swingline Loans as shall be necessary in order that, after giving effect to such termination or reduction, (i) the aggregate outstanding principal amount of the ABR Swingline Loans of any Swingline Lender will not exceed the Swingline Commitment of such Swingline Lender and (ii) the aggregate outstanding principal amount of all Swingline Loans will not exceed the aggregate Swingline Commitments.

(h) Each Swingline Borrower may prepay any Swingline Loan in whole or in part at any time without premium or penalty; provided, that such Swingline Borrower shall have given the Administrative Agent written or telecopy notice (or telephone notice promptly confirmed in writing or by telecopy) of such prepayment not later than 10:30 a.m., New York City time, on the Business Day designated by such Swingline Borrower for such prepayment; and provided, further, that each partial payment shall be in an amount that is an integral multiple of \$1,000,000. Each notice of prepayment under this paragraph (h) shall specify the prepayment date and the principal amount of each Swingline Loan (or portion thereof) to be prepaid, shall be irrevocable and shall commit such Swingline Borrower to prepay such Swingline Loan (or portion thereof) by the amount stated therein on the date stated therein. All prepayments under

this paragraph (h) shall be accompanied by accrued interest on the principal amount being prepaid to the date of payment. Each payment of principal of or interest on ABR Swingline Loans shall be allocated, as between the Swingline Lenders, pro rata in accordance with their respective Swingline Percentages.

SECTION 2.7. Letters of Credit.

(a) Subject to the terms and conditions hereof and relying upon the representations and warranties herein set forth, each Issuing Lender agrees, at any time and from time to time on or after the Closing Date until the earlier of (i) the fifth Business Day preceding the Revolving Credit Maturity Date and (ii) the termination of the Commitments in accordance with the terms hereof, to issue and deliver or to extend the expiry of Letters of Credit for the account of any Borrower in an aggregate outstanding undrawn amount which does not exceed the maximum amount specified in the applicable Issuing Lender Agreement; provided, that in no event shall the Aggregate LC Exposure exceed \$750,000,000 at any time. Each Letter of Credit (i) shall be in a form approved in writing by the applicable Borrower and the applicable Issuing Lender and (ii) shall permit drawings upon the presentation of such documents as shall be specified by such Borrower in the applicable notice delivered pursuant to paragraph (c) below. The Lenders agree that, subject to compliance with the conditions precedent set forth in Section 4.3, any Designated Letter of Credit may be designated as a Letter of Credit hereunder from time to time on or after the Closing Date pursuant to the procedures specified in the definition of "Designated Letters of Credit". For the avoidance of doubt, Letters of Credit issued by any Issuing Lender under this Agreement after the Closing Date, but before the Amendment Closing Date, shall be deemed to be issued under this Agreement for all purposes herein so long as such Issuing Lender continues to be a Lender after the Amendment Closing Date. Viacom confirms that any Issuing Lender Agreement or like agreement entered into by any Issuing Lender (i) under this Agreement after the Closing Date, but before the Amendment Closing Date or (ii) in respect of any Designated Letter of Credit, in each case, shall continue to be binding on the parties thereto

(b) Each Letter of Credit shall by its terms expire not later than the fifth Business Day preceding the Revolving Credit Maturity Date. Any Letter of Credit may provide for the renewal thereof for additional periods (which shall in no event extend beyond the date referred to in the preceding sentence). Each Letter of Credit shall by its terms provide for payment of drawings in Dollars or in a Foreign Currency; provided, that a Letter of Credit denominated in a Foreign Currency may not be issued if, after giving effect thereto, the Dollar equivalent (calculated on the basis of the applicable Foreign Exchange Rate) of the aggregate face amount of all Letters of Credit denominated in Foreign Currencies then outstanding would exceed \$150,000,000, as determined by the Administrative Agent acting in good faith.

(c) The applicable Borrower shall give the applicable Issuing Lender and the Administrative Agent written or telecopy notice not later than 10:00 a.m., New York City time, three Business Days (or such shorter period as shall be acceptable to such Issuing Lender) prior to any proposed issuance of a Letter of Credit. Each such notice shall refer to this Agreement and shall specify (i) the date on which such Letter of Credit is to be issued (which shall be a Business Day) and the face amount of such Letter of Credit, (ii) the name and address of the beneficiary, (iii) whether such Letter of Credit is a Financial Letter of Credit or a Non-Financial

Letter of Credit (subject to confirmation of such status by the Administrative Agent), (iv) whether such Letter of Credit shall permit a single drawing or multiple drawings, (v) the form of the documents required to be presented at the time of any drawing (together with the exact wording of such documents or copies thereof), (vi) the expiry date of such Letter of Credit (which shall conform to the provisions of paragraph (b) above) and (vii) if such Letter of Credit is to be in a Foreign Currency, the relevant Foreign Currency. The Administrative Agent shall give to each Lender prompt written or telecopy advice of the issuance of any Letter of Credit. Each determination by the Administrative Agent as to whether or not a Letter of Credit constitutes a Financial Letter of Credit shall be conclusive and binding upon the applicable Borrower and the Lenders.

(d) By the issuance of a Letter of Credit and without any further action on the part of the applicable Issuing Lender or the Lenders in respect thereof, the applicable Issuing Lender hereby grants to each Lender, and each Lender hereby acquires from such Issuing Lender, a participation in such Letter of Credit equal to such Lender's Revolving Credit Percentage at the time of any drawing thereunder of the stated amount of such Letter of Credit, effective upon the issuance of such Letter of Credit. In addition, the applicable Issuing Lender hereby grants to each Lender, and each Lender hereby acquires from such Issuing Lender, a participation in each Designated Letter of Credit equal to such Lender's Revolving Credit Percentage at the time of any drawing thereunder of the stated amount of such Designated Letter of Credit, effective on the date such Designated Letter of Credit is designated as a Letter of Credit hereunder. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of each Issuing Lender, in accordance with paragraph (f) below, such Lender's Revolving Credit Percentage of each unreimbursed LC Disbursement made by such Issuing Lender; provided, however, that the Lenders shall not be obligated to make any such payment with respect to any payment or disbursement made under any Letter of Credit to the extent resulting from the gross negligence or willful misconduct of such Issuing Lender.

(e) Each Lender acknowledges and agrees that its acquisition of participations pursuant to paragraph (d) above in respect of Letters of Credit shall be absolute and unconditional and shall not be affected by any circumstance, including, without limitation, (i) any setoff, counterclaim, recoupment, defense or other right which such Lender or the applicable Borrower may have against any Issuing Lender, any Borrower or any other Person, for any reason whatsoever; (ii) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the conditions specified in Article IV; (iii) any adverse change in the condition (financial or otherwise) of the applicable Borrower; (iv) any breach of this Agreement by any Borrower or any Lender; or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

(f) On the date on which it shall have ascertained that any documents presented under a Letter of Credit appear to be in conformity with the terms and conditions of such Letter of Credit, the applicable Issuing Lender shall give written or telecopy notice to the applicable Borrower and the Administrative Agent of the amount of the drawing and the date on which payment thereon has been or will be made. If the applicable Issuing Lender shall not have received from the applicable Borrower the payment required pursuant to paragraph (g) below by 12:00 noon, New York City time, two Business Days after the date on which payment of a draft

presented under any Letter of Credit has been made, such Issuing Lender shall so notify the Administrative Agent, which shall in turn promptly notify each Lender, specifying in the notice to each Lender such Lender's Revolving Credit Percentage of such LC Disbursement. Each Lender shall pay to the Administrative Agent, not later than 2:00 p.m., New York City time, on such second Business Day, such Lender's Revolving Credit Percentage of such LC Disbursement (which obligation shall be expressed in Dollars only), which the Administrative Agent shall promptly pay to the applicable Issuing Lender. The Administrative Agent will promptly remit to each Lender such Lender's Revolving Credit Percentage of any amounts subsequently received by the Administrative Agent from the applicable Borrower in respect of such LC Disbursement; provided, that (i) amounts so received for the account of any Lender prior to payment by such Lender of amounts required to be paid by it hereunder in respect of any LC Disbursement and (ii) amounts representing interest at the rate provided in paragraph (g) below on any LC Disbursement for the period prior to the payment by such Lender of such amounts shall in each case be remitted to the applicable Issuing Lender.

(g) If an Issuing Lender shall pay any draft presented under a Letter of Credit, the applicable Borrower shall pay to such Issuing Lender an amount equal to the amount of such draft before 12:00 noon, New York City time, on the second Business Day immediately following the date of payment of such draft, together with interest (if any) on such amount at a rate per annum equal to the interest rate in effect for ABR Loans (or, in the case of Foreign Currency denominated Letters of Credit, the rate which would reasonably and customarily be charged by such Issuing Lender on outstanding loans denominated in the relevant Foreign Currency) from (and including) the date of payment of such draft to (but excluding) the date on which such Borrower shall have repaid, or the Lenders shall have refunded, such draft in full (which interest shall be payable on such second Business Day and from time to time thereafter on demand until such Borrower shall have repaid, or the Lenders shall have refunded, such draft in full). In the event that such drawing shall be refunded by the Lenders as provided in Section 2.7(f), the applicable Borrower shall pay to the Administrative Agent, for the account of the Lenders, quarterly on the last day of each March, June, September and December, interest on the amount so refunded at a rate per annum equal to the interest rate in effect for ABR Loans from (and including) the date of such refunding to (but excluding) the date on which the amount so refunded by the Lenders shall have been paid in full in Dollars by such Borrower. Each payment made to an Issuing Lender by the applicable Borrower pursuant to this paragraph shall be made at such Issuing Lender's address for notices specified herein in lawful money of (x) the United States of America (in the case of payments made on Dollar-denominated Letters of Credit) or (y) the applicable foreign jurisdiction (in the case of payments on Foreign Currency-denominated Letters of Credit) and in immediately available funds. The obligation of the applicable Borrower to pay the amounts referred to above in this paragraph (g) (and the obligations of the Lenders under paragraphs (d) and (f) above) shall be absolute, unconditional and irrevocable and shall be satisfied strictly in accordance with their terms irrespective of:

(i) any lack of validity or enforceability of any Letter of Credit or any Issuing Lender Agreement or of the obligations of any Borrower under this Agreement or any Issuing Lender Agreement;

(ii) the existence of any claim, setoff, defense or other right which any Borrower or any other Person may at any time have against the beneficiary under

any Letter of Credit, the Agents, any Issuing Lender or any Lender (other than the defense of payment in accordance with the terms of this Agreement or a defense based on the gross negligence or willful misconduct of the applicable Issuing Lender) or any other Person in connection with this Agreement or any other transaction;

(iii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect; provided, that payment by the applicable Issuing Lender under such Letter of Credit against presentation of such draft or document shall not have constituted gross negligence or willful misconduct;

(iv) payment by the applicable Issuing Lender under a Letter of Credit against presentation of a draft or other document which does not comply in any immaterial respect with the terms of such Letter of Credit; provided, that such payment shall not have constituted gross negligence or willful misconduct; or

(v) any other circumstance or event whatsoever, whether or not similar to any of the foregoing; provided, that such other circumstance or event shall not have been the result of gross negligence or willful misconduct of the applicable Issuing Lender.

It is understood that in making any payment under a Letter of Credit (x) such Issuing Lender's exclusive reliance on the documents presented to it under such Letter of Credit as to any and all matters set forth therein, including reliance on the amount of any draft presented under such Letter of Credit, whether or not the amount due to the beneficiary thereof equals the amount of such draft and whether or not any document presented pursuant to such Letter of Credit proves to be forged, fraudulent or invalid in any respect, if such document on its face appears to be in order, and whether or not any other statement or any other document presented pursuant to such Letter of Credit proves to be forged or invalid or any statement therein proves to be inaccurate or untrue in any respect whatsoever, and (y) any noncompliance in any immaterial respect of the documents presented under a Letter of Credit with the terms thereof shall, in either case, not, in and of itself, be deemed willful misconduct or gross negligence of such Issuing Lender.

(h) (i) Notwithstanding anything to the contrary contained in this Agreement, for purposes of calculating any LC Fee payable in respect of any Business Day, the Administrative Agent shall convert the amount available to be drawn under any Letter of Credit denominated in Foreign Currency into an amount of Dollars based upon the relevant Foreign Exchange Rate in effect for such day. If on any date the Administrative Agent shall notify the applicable Borrower that, by virtue of any change in the Foreign Exchange Rate of any Foreign Currency in which a Letter of Credit is denominated, the Total Facility Exposure shall exceed the Total Commitment then in effect, then, within three Business Days after the date of such notice, such Borrower shall prepay the Revolving Credit Loans and/or the Swingline Loans to the extent necessary to eliminate such excess. Each Issuing Lender which has issued a Letter of Credit denominated in a Foreign Currency agrees to notify the Administrative Agent of the average daily outstanding

amount thereof for any period in respect of which LC Fees are payable and, upon request by the Administrative Agent, for any other date or period. For all purposes of this Agreement, determinations by the Administrative Agent of the Dollar equivalent of any amount expressed in a Foreign Currency shall be made on the basis of Foreign Exchange Rates reset monthly (or on such other periodic basis as shall be selected by the Administrative Agent in its sole discretion) and shall in each case be conclusive absent manifest error.

(ii) Notwithstanding anything to the contrary contained in this Section 2.7, prior to demanding any reimbursement from the Lenders pursuant to Section 2.7(f) in respect of any Letter of Credit denominated in a Foreign Currency, the relevant Issuing Lender shall convert the obligation of the applicable Borrower under Section 2.7(g) to reimburse such Issuing Lender in such Foreign Currency into an obligation to reimburse such Issuing Lender (and, in turn, the Lenders) in Dollars. The amount of any such converted obligation shall be computed based upon the relevant Foreign Exchange Rate (as quoted by the Administrative Agent to such Issuing Lender) in effect for the day on which such conversion occurs.

SECTION 2.8. Conversion and Continuation Options.

(a) The relevant Borrower may elect from time to time to convert Eurodollar Revolving Credit Loans (or, subject to Section 2.10(f), a portion thereof) to ABR Revolving Credit Loans on the last day of an Interest Period with respect thereto by giving the Administrative Agent prior irrevocable notice of such election. The relevant Borrower may elect from time to time to convert ABR Revolving Credit Loans (subject to Section 2.10(f)) to Eurodollar Revolving Credit Loans by giving the Administrative Agent at least three Business Days' prior irrevocable notice of such election. Any such notice of conversion to Eurodollar Revolving Credit Loans shall specify the length of the initial Interest Period therefor. Upon receipt of any such notice the Administrative Agent shall promptly notify each Lender thereof. All or any part of outstanding Eurodollar Revolving Credit Loans and ABR Revolving Credit Loans may be converted as provided herein; provided, that no Revolving Credit Loan may be converted into a Eurodollar Revolving Credit Loan when any Event of Default has occurred and is continuing and the Administrative Agent has or the Required Lenders have determined in its or their sole discretion not to permit such a conversion.

(b) Any Eurodollar Revolving Credit Loans (or, subject to Section 2.10(f), a portion thereof) may be continued as such upon the expiration of the then current Interest Period with respect thereto by the relevant Borrower giving irrevocable notice to the Administrative Agent, not less than three Business Days prior to the last day of the then current Interest Period with respect thereto, of the length of the next Interest Period to be applicable to such Revolving Credit Loans; provided, that no Eurodollar Revolving Credit Loan may be continued as such when any Event of Default has occurred and is continuing and the Administrative Agent has or the Required Lenders have determined in its or their sole discretion not to permit such a continuation; and provided, further, that if the relevant Borrower shall fail to give any required notice as described above in this paragraph or if such continuation is not permitted pursuant to the preceding proviso such Eurodollar Revolving Credit Loans shall be automatically converted to ABR Revolving Credit Loans on the last day of such then expiring Interest Period. Upon receipt of any notice from a Borrower pursuant to this Section 2.8(b), the Administrative Agent shall promptly notify each Lender thereof. The Administrative Agent shall promptly notify the

applicable Borrower upon the determination in accordance with this Section 2.8(b), by it or the Required Facility Lenders, not to permit such a continuation.

SECTION 2.9. Fees.

(a) Viacom agrees to pay to the Administrative Agent for the account of each Lender a Facility Fee for the period from and including the Amendment Closing Date to the Revolving Credit Maturity Date (or such earlier date on which the Commitments shall terminate in accordance herewith), computed at a per annum rate equal to the Applicable Facility Fee Rate on the such Lender's Commitment (whether used or unused); provided that, if such Lender continues to have any Facility Exposure after its Commitment terminates, then such Facility Fee shall continue to accrue on the daily amount of such Lender's Facility Exposure from and including the date on which its Commitment terminates to but excluding the date on which such Lender ceases to have any Facility Exposure. All Facility Fees shall be computed on the basis of the actual number of days elapsed in a year of 360 days and shall be payable quarterly in arrears on the last day of each March, June, September and December, on the Revolving Credit Maturity Date or such earlier date on which the Commitments shall be terminated, commencing on the first of such dates to occur after the Amendment Closing Date.

(b) Viacom agrees to pay each Lender, through the Administrative Agent, on the last day of each March, June, September and December and on the Revolving Credit Maturity Date or the date on which the Commitment of such Lender shall be terminated as provided herein and all Letters of Credit issued hereunder shall have expired, a letter of credit fee (an "LC Fee") computed at a per annum rate equal to the Applicable LC Fee Rate on such Lender's Revolving Credit Percentage of the average daily undrawn amount of the Financial Letters of Credit or Non-Financial Letters of Credit, as the case may be, outstanding during the preceding quarter (or shorter period commencing with the Closing Date or ending with the Revolving Credit Maturity Date or the date on which the Commitment of such Lender shall have been terminated and all Letters of Credit issued hereunder shall have expired). All LC Fees shall be computed on the basis of the actual number of days elapsed in a year of 360 days.

(c) Viacom agrees to pay to the Administrative Agent, for its own account, the administrative agent's fees ("Administrative Agent's Fees") provided for in the Administrative Agent Fee Letter at the times provided therein.

(d) Each Borrower agrees to pay to each Issuing Lender, through the Administrative Agent, for its own account, the applicable Issuing Lender Fees, including, without limitation, a fronting fee at a rate to be determined by the relevant Borrower and the relevant Issuing Lender payable on the last day of each March, June, September and December to such Issuing Lender for the period from and including the date of issuance of such Letter of Credit to, but not including, the termination date of such Letter of Credit.

(e) Viacom agrees to pay to each Lender, through the Administrative Agent, on each Interest Payment Date for ABR Loans, a utilization fee (a "Utilization Fee") at a rate per annum equal to the Applicable Utilization Fee Rate for each Excess Utilization Day during the period covered by such Interest Payment Date on the Facility Exposure of such Lender on such

Excess Utilization Day. All Utilization Fees shall be computed on the basis of the actual number of days elapsed in a year of 360 days and shall be payable in arrears.

(f) All Fees shall be paid on the dates due, in immediately available funds, to the Administrative Agent for distribution, if and as appropriate, among the relevant Lenders or to the Issuing Lenders. Once paid, none of the Fees shall be refundable under any circumstances (other than corrections of errors in payment).

SECTION 2.10. Interest on Loans; Eurodollar Tranches; Etc.

(a) Subject to the provisions of Section 2.11, Eurodollar Loans shall bear interest (computed on the basis of the actual number of days elapsed over a year of 360 days) at a rate per annum equal to (i) in the case of each Eurodollar Revolving Credit Loan, the Eurodollar Rate for the Interest Period in effect for such Loan plus the Applicable Eurodollar Margin and (ii) in the case of each Eurodollar Competitive Loan, the Eurodollar Rate for the Interest Period in effect for such Loan plus the Margin offered by the Lender making such Loan and accepted by the relevant Borrower pursuant to Section 2.3. The Eurodollar Rate for each Interest Period shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error. The Administrative Agent shall promptly advise the relevant Borrower and each Lender of such determination.

(b) Subject to the provisions of Section 2.11, ABR Loans shall bear interest (computed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as the case may be, when determined by reference to the Prime Rate and over a year of 360 days at all other times) at a rate per annum equal to the Alternate Base Rate. The Alternate Base Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

(c) Subject to the provisions of Section 2.11, Quoted Swingline Loans shall bear interest (computed on the basis of the actual number of days elapsed over a year of 360 days) at a rate per annum equal to the relevant Quoted Swingline Rate.

(d) Subject to the provisions of Section 2.11, each Absolute Rate Loan shall bear interest at a rate per annum (computed on the basis of the actual number of days elapsed over a year of 360 days) equal to the fixed rate of interest offered by the Lender making such Loan and accepted by the relevant Borrower pursuant to Section 2.3.

(e) Interest on each Loan shall be payable on each applicable Interest Payment Date.

(f) Notwithstanding anything to the contrary in this Agreement, all borrowings, conversions, continuations, repayments and prepayments of Eurodollar Revolving Credit Loans hereunder and all selections of Interest Periods hereunder in respect of Eurodollar Revolving Credit Loans shall be in such amounts and shall be made pursuant to such elections so that, after giving effect thereto, the aggregate principal amount of the Eurodollar Revolving Credit Loans comprising each Eurodollar Tranche shall be equal to \$50,000,000 or a whole multiple of

\$5,000,000 in excess thereof. Unless otherwise agreed by the Administrative Agent, in no event shall there be more than 25 Eurodollar Tranches outstanding at any time.

(g) If no election as to the Type of Revolving Credit Loan is specified in any notice of borrowing with respect thereto, then the requested Loan shall be an ABR Loan. If no Interest Period with respect to a Eurodollar Revolving Credit Loan is specified in any notice of borrowing, conversion or continuation, then the relevant Borrower shall be deemed to have selected an Interest Period of one month's duration. The Interest Period with respect to a Eurodollar Competitive Loan shall in no case be less than one month's duration.

SECTION 2.11. Default Interest.

If all or a portion of the principal amount of any Loan shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), all outstanding Loans (whether or not overdue) shall bear interest at a rate per annum which is equal to the rate that would otherwise be applicable thereto pursuant to the provisions of Section 2.10 plus 2% and (b) if all or a portion of any LC Disbursement, any interest payable on any Loan or LC Disbursement or any Fee or other amount payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to the rate otherwise applicable to ABR Loans pursuant to Section 2.10(b) plus 2%, in each case, with respect to clauses (a) and (b) above, from the date of such non-payment until such amount is paid in full (as well after as before judgment).

SECTION 2.12. Alternate Rate of Interest.

In the event, and on each occasion, that on the day two Business Days prior to the commencement of any Interest Period for a Eurodollar Loan (i) the Administrative Agent shall have determined (which determination shall be conclusive and binding upon each Borrower) that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the Eurodollar Rate for such Interest Period, or (ii) the Required Lenders shall have determined and shall have notified the Administrative Agent that the Eurodollar Rate determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to such Lenders (as conclusively certified by such Lenders) of making or maintaining Eurodollar Loans during such Interest Period, the Administrative Agent shall, as soon as practicable thereafter, give written or telecopy notice of such determination to the Borrowers and the Lenders. In the event of any such determination, until the Administrative Agent shall have advised the Borrowers and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any request by a Borrower for a Eurodollar Competitive Loan pursuant to Section 2.3 to be made after such determination shall be of no force and effect and shall be denied by the Administrative Agent, (ii) any request by a Borrower for a Eurodollar Revolving Credit Loan pursuant to Section 2.4 to be made after such determination shall be deemed to be a request for an ABR Loan and (iii) any request by a Borrower for conversion into or a continuation of a Eurodollar Revolving Credit Loan pursuant to Section 2.8 to be made after such determination shall have no force and effect (in the case of a requested conversion) or shall be deemed to be a request for a conversion into an ABR Loan (in the case of a requested continuation). Also, in the event of any such determination, the relevant Borrower shall be entitled, in its sole discretion, if the requested Loan has not been made, to

cancel its acceptance of the Competitive Bids or to cancel its Competitive Bid Request relating thereto. Each determination by the Administrative Agent or the Required Lenders hereunder shall be conclusive absent manifest error.

SECTION 2.13. Termination, Reduction and Increase of Commitments.

(a) Upon at least three Business Days' prior irrevocable written or telecopy notice to the Administrative Agent, Viacom may at any time in whole permanently terminate, or from time to time in part permanently reduce, the Commitments; provided, however, that (i) each partial reduction of the Commitments shall be in a minimum principal amount of \$10,000,000 and in integral multiples of \$1,000,000 in excess thereof and (ii) no such termination or reduction shall be made if, after giving effect thereto and to any prepayments of the Loans made on the effective date thereof, (x) the Outstanding Revolving Extensions of Credit of any Lender would exceed such Lender's Commitment then in effect or (y) the Total Facility Exposure would exceed the Total Commitment then in effect. The Administrative Agent shall promptly advise the Lenders of any notice given pursuant to this Section 2.13(a).

(b) Except as otherwise provided in Section 2.21, each reduction in the Commitments hereunder shall be made ratably among the Lenders in accordance with their respective Commitments. Viacom agrees to pay to the Administrative Agent for the account of the Lenders, on the date of termination or reduction of the Commitments, the Facility Fees on the amount of the Commitments so terminated or reduced accrued through the date of such termination or reduction.

(c) Viacom shall have the right at any time and from time to time to increase the Total Commitments to an aggregate amount not to exceed \$1,950,000,000 (i) by requesting that one or more banks or other financial institutions not a party to this Agreement become a Lender hereunder or (ii) by requesting that any Lender already party to this Agreement increase the amount of such Lender's Commitment; provided, that the addition of any bank or financial institution pursuant to clause (i) above shall be subject to the consent of the Administrative Agent (which consent shall not be unreasonably withheld); provided further, the Commitment of any bank or other financial institution pursuant to clause (i) above, shall be in an aggregate principal amount at least equal to \$10,000,000; provided further, the amount of the increase of any Lender's Commitment pursuant to clause (ii) above when added to the amount of such Lender's Commitment before the increase, shall be in an aggregate principal amount at least equal to \$10,000,000.

(d) Any additional bank, financial institution or other entity which elects to become a party to this Agreement and obtain a Commitment pursuant to clause (c) of this Section 2.13 above shall execute a New Lender Supplement (each, a "New Lender Supplement") with Viacom and the Administrative Agent, substantially in the form of Exhibit G, whereupon such bank, financial institution or other entity (herein called a "New Lender") shall become a Lender for all purposes and to the same extent as if originally a party hereto and shall be bound by and entitled to the benefits of this Agreement, and Schedule 1.1 shall be deemed to be amended to add the name and Commitment of such New Lender.

(e) Any increase in the Total Commitment pursuant to clause (c)(ii) of this Section 2.13 shall be effective only upon the execution and delivery to Viacom and the Administrative Agent of a commitment increase letter in substantially the form of Exhibit H hereto (a "Commitment Increase Letter"), which Commitment Increase Letter shall be delivered to the Administrative Agent not less than five Business Days prior to the Commitment Increase Date and shall specify (i) the amount of the Commitment of any bank or financial institution not a party to this agreement which is becoming a Lender or the amount of any increase in the Commitment of any Lender and (ii) the date such increase is to become effective (the "Commitment Increase Date").

(f) Any increase in the Total Commitment pursuant to this Section 2.13 shall not be effective unless:

(i) no Default or Event of Default shall have occurred and be continuing on the Commitment Increase Date;

(ii) each of the representations and warranties made by Viacom and the Subsidiary Borrowers in Sections 3.1, 3.2, 3.4, 3.5 and 3.6 shall be true and correct in all material respects on the Commitment Increase Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date in which case such representations and warranties shall be true and correct in all material respects as of such earlier date;

(iii) the Administrative Agent shall have received each of (A) a certificate of the corporate secretary or assistant secretary of the Borrowers as to the taking of any corporate action necessary in connection with such increase and (B) an opinion or opinions of general counsel to the Borrowers as to their corporate power and authority to borrow hereunder after giving effect to such increase and such other matters relating thereto as the Administrative Agent and its counsel may reasonably request.

Each notice requesting an increase in the Total Commitments pursuant to this Section 2.13 shall constitute a certification to the effect set forth in clauses (i) and (ii) of this Section 2.13(f).

(g) No Lender shall at any time be required to agree to a request of Viacom to increase its Commitment or obligations hereunder.

SECTION 2.14. Optional Prepayments of Revolving Credit Loans.

The relevant Borrower may at any time and from time to time prepay the Revolving Credit Loans, in whole or in part, without premium or penalty, upon giving irrevocable written or telecopy notice (or telephone notice promptly confirmed by written or telecopy notice) to the Administrative Agent: (i) before 10:00 a.m., New York City time, three Business Days prior to prepayment, in the case of Eurodollar Revolving Credit Loans, and (ii) before 10:00 a.m., New York City time, one Business Day prior to prepayment, in the case of ABR Revolving Credit Loans. Such notice shall specify the date and amount of

prepayment and whether the prepayment is of Eurodollar Revolving Credit Loans, ABR Revolving Credit Loans or a combination thereof, and, if of a combination thereof, the amount allocable to each. If a Eurodollar Revolving Credit Loan is prepaid on any day other than the last day of the Interest Period applicable thereto, the relevant Borrower shall also pay any amounts owing pursuant to Section 2.16. Upon receipt of any such notice the Administrative Agent shall promptly notify each Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein, together with (except in the case of ABR Revolving Credit Loans) accrued interest to such date on the amount prepaid. Partial prepayments of Revolving Credit Loans shall be in an aggregate principal amount of \$10,000,000 or a whole multiple of \$1,000,000 in excess thereof.

SECTION 2.15. Reserve Requirements; Change in Circumstances.

(a) Notwithstanding any other provision herein, if after the Closing Date any change in applicable law or regulation (including any change in the reserve percentages provided for in Regulation D) or in the interpretation or administration thereof by any Governmental Authority charged with the interpretation or administration thereof shall change the basis of taxation of payments to any Lender of the principal of or interest on any Eurodollar Loan or Absolute Rate Loan made by such Lender (other than changes in respect of taxes imposed on the overall net income of such Lender by the jurisdiction in which such Lender has its principal office (or in which it holds any Eurodollar Loan or Absolute Rate Loan) or by any political subdivision or taxing authority therein and other than taxes that would not have been imposed but for the failure of such Lender to comply with applicable certification, information, documentation or other reporting requirements), or shall impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of or deposits with or for the account of such Lender, or shall impose on such Lender or the London interbank market any other condition affecting this Agreement or any Eurodollar Loan or Absolute Rate Loan made by such Lender, and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Eurodollar Loan or Absolute Rate Loan or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or otherwise) in respect of any Eurodollar Loan or Absolute Rate Loan by an amount deemed by such Lender to be material, then the relevant Borrower agrees to pay to such Lender as provided in paragraph (c) below such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered. Notwithstanding the foregoing, no Lender shall be entitled to request compensation under this paragraph with respect to any Competitive Loan if the change giving rise to such request shall, or in good faith should, have been taken into account in formulating the Competitive Bid pursuant to which such Competitive Loan shall have been made.

(b) If any Lender or any Issuing Lender shall have determined that the adoption after the Closing Date hereof of any law, rule, regulation or guideline regarding capital adequacy, or any change in any law, rule, regulation or guideline regarding capital adequacy or in the interpretation or administration of any of the foregoing by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Lender (or any lending office of such Lender) or Issuing Lender or any Lender's or Issuing Lender's holding company with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or

comparable agency, has or would have the effect of reducing the rate of return on such Lender's or Issuing Lender's capital or on the capital of such Lender's or Issuing Lender's holding company, if any, as a consequence of this Agreement or the Loans made by such Lender or the LC Exposure of such Lender or Letters of Credit issued by such Issuing Lender pursuant hereto to a level below that which such Lender or Issuing Lender or such Lender's or Issuing Lender's holding company could have achieved but for such applicability, adoption, change or compliance (taking into consideration such Lender's or Issuing Lender's policies and the policies of such Lender's or Issuing Lender's holding company with respect to capital adequacy) by an amount deemed by such Lender or Issuing Lender to be material, then from time to time Viacom agrees to pay to such Lender or Issuing Lender as provided in paragraph (c) below such additional amount or amounts as will compensate such Lender or Issuing Lender or such Lender's or Issuing Lender's holding company for any such reduction suffered.

(c) A certificate of each Lender or Issuing Lender setting forth such amount or amounts as shall be necessary to compensate such Lender or Issuing Lender as specified in paragraph (a) or (b) above, as the case may be, and the basis therefor in reasonable detail shall be delivered to the relevant Borrower and shall be conclusive absent manifest error. The relevant Borrower shall pay each Lender or Issuing Lender the amount shown as due on any such certificate within 30 days after its receipt of the same. Upon the receipt of any such certificate, the relevant Borrower shall be entitled, in its sole discretion, if any requested Loan has not been made, to cancel its acceptance of the relevant Competitive Bids or to cancel the Competitive Bid Request relating thereto, subject to Section 2.16.

(d) Except as provided in this paragraph, failure on the part of any Lender to demand compensation for any increased costs or reduction in amounts received or receivable or reduction in return on capital with respect to any period shall not constitute a waiver of such Lender's right to demand compensation with respect to any other period. The protection of this Section 2.15 shall be available to each Lender regardless of any possible contention of the invalidity or inapplicability of the law, rule, regulation, guideline or other change or condition which shall have occurred or been imposed so long as it shall be customary for Lenders affected thereby to comply therewith. No Lender shall be entitled to compensation under this Section 2.15 for any costs incurred or reductions suffered with respect to any date unless it shall have notified the relevant Borrower that it will demand compensation for such costs or reductions under paragraph (c) above not more than 90 days after the later of (i) such date and (ii) the date on which it shall have become aware of such costs or reductions. Notwithstanding any other provision of this Section 2.15, no Lender shall demand compensation for any increased cost or reduction referred to above if it shall not at the time be the general policy or practice of such Lender to demand such compensation in similar circumstances under comparable provisions of other credit agreements, if any. In the event any Borrower shall reimburse any Lender pursuant to this Section 2.15 for any cost and such Lender shall subsequently receive a refund in respect thereof, such Lender shall so notify such Borrower and, upon its request, will pay to such Borrower the portion of such refund which such Lender shall determine in good faith to be allocable to the cost so reimbursed. The covenants contained in this Section 2.15 shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

SECTION 2.16. Indemnity.

Each Borrower agrees to indemnify each Lender against any loss or expense described below which such Lender may sustain or incur as a consequence of (a) any failure by such Borrower to fulfill on the date of any borrowing hereunder the applicable conditions set forth in Article IV, (b) any failure by such Borrower to borrow, continue or convert any Loan hereunder after irrevocable notice of such borrowing, continuation or conversion has been given or deemed given or Competitive Bids have been accepted pursuant to Article II, (c) any payment, prepayment or conversion of a Eurodollar Loan or Absolute Rate Loan made to such Borrower required by any other provision of this Agreement or otherwise made or deemed made, whatever the circumstances may be that give rise to such payment, prepayment or conversion, or any transfer of any such Loan pursuant to Section 2.21 or 9.4(b), on a date other than the last day of the Interest Period applicable thereto, or (d) if any breakage is incurred, any failure by a Borrower to prepay a Eurodollar Loan on the date specified in a notice of prepayment; provided, that any request for indemnification made by any Lender to any Borrower pursuant hereto shall be accompanied by such Lender's calculation of such amount to be indemnified. The loss or expense for which such Lender shall be indemnified under this Section 2.16 shall be equal to the excess, if any, as reasonably determined by such Lender, of (i) its cost of obtaining the funds for the Loan being paid, prepaid, converted or not borrowed, continued, prepaid or converted (assumed to be the Eurodollar Rate in the case of Eurodollar Loans) for the period from the date of such payment, prepayment, conversion or failure to borrow, continue, prepay or convert to the last day of the Interest Period for such Loan (or, in the case of a failure to borrow, continue, prepay or convert, the Interest Period for such Loan which would have commenced on the date of such failure) over (ii) the amount of interest (as reasonably determined by such Lender) that would be realized by such Lender in reemploying the funds so paid, prepaid, converted or not borrowed, continued, prepaid or converted for such period or Interest Period, as the case may be; provided, however, that such amount shall not include any loss of a Lender's margin or spread over its cost of obtaining funds as described above. A certificate of any Lender setting forth any amount or amounts which such Lender is entitled to receive pursuant to this Section 2.16 (with calculations in reasonable detail) shall be delivered to the relevant Borrower and shall be conclusive absent manifest error. This covenant shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

SECTION 2.17. Pro Rata Treatment; Funding Matters; Evidence of Debt.

(a) Except as required under Section 2.21, each payment or prepayment of principal of any Revolving Credit Loan, each payment of interest on the Revolving Credit Loans, each payment of LC Fees, each payment of the Facility Fees, and each reduction of the Commitments, shall be allocated pro rata among the Lenders in accordance with their respective Commitments (or, if such Commitments shall have expired or been terminated, in accordance with the respective principal amounts of their outstanding Revolving Credit Loans). Each Lender agrees that in computing such Lender's portion of any Loan to be made hereunder, the Administrative Agent may, in its discretion, round such Lender's percentage of such Loan to the next higher or lower whole Dollar amount.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the relevant borrowing date that such Lender will not make available to the

Administrative Agent such Lender's portion of a borrowing, the Administrative Agent may assume that such Lender has made such portion available to the Administrative Agent on the date of such borrowing in accordance with this Agreement and the Administrative Agent may, in reliance upon such assumption, make available to the relevant Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have made such portion available to the Administrative Agent, each of such Lender and the relevant Borrower agrees to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to such Borrower until the date such amount is repaid to the Administrative Agent at (i) in the case of such Borrower, the interest rate applicable at the time to the relevant Loan and (ii) in the case of such Lender, the Federal Funds Effective Rate. If such Lender shall repay to the Administrative Agent such corresponding amount, such amount shall constitute such Lender's Loan as part of such borrowing for the purposes of this Agreement; provided, that such repayment shall not release such Lender from any liability it may have to such Borrower for the failure to make such Loan at the time required herein.

(c) The failure of any Lender to make any Loan shall not in itself relieve any other Lender of its obligation to lend hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to make any Loan required to be made by such other Lender).

(d) Each Lender may at its option make any Eurodollar Loan by causing any domestic or foreign branch or Lender Affiliate of such Lender to make such Loan; provided, that any exercise of such option shall not affect the obligation of the relevant Borrower to repay such Loan in accordance with the terms of this Agreement.

(e) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness to such Lender resulting from each Loan made by it from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement. The Administrative Agent shall maintain accounts in which it will record (i) the amount of each Loan made hereunder, the Borrower with respect to each Loan, the Type of each Loan and each Interest Period, if any, applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from each Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder from any Borrower and each Lender's share thereof. The entries made in the accounts maintained pursuant to this paragraph (e) shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations therein recorded; provided, however, that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligations of any Borrower to repay the Loans in accordance with their terms.

(f) In order to expedite the transactions contemplated by this Agreement, each Subsidiary Borrower shall be deemed, by its execution and delivery of a Subsidiary Borrower Request, to have appointed Viacom to act as agent on behalf of such Subsidiary Borrower for the purpose of (a) giving any notices contemplated to be given by such Subsidiary Borrower pursuant to this Agreement, including, without limitation, borrowing notices, prepayment notices, continuation notices, conversion notices, competitive bid requests and competitive bid

acceptances or rejections and (b) paying on behalf of such Subsidiary Borrower any Subsidiary Borrower Obligations owing by such Subsidiary Borrower; provided, that each Subsidiary Borrower shall retain the right, in its discretion, to directly give any or all of such notices or make any or all of such payments.

(g) The Administrative Agent shall promptly notify the Lenders upon receipt of any Subsidiary Borrower Designation and Subsidiary Borrower Request. The Administrative Agent shall promptly notify the Swingline Lenders upon receipt of any designation of a Subsidiary Borrower as a Swingline Borrower.

SECTION 2.18. Sharing of Setoffs.

Except to the extent that this Agreement provides for payments to be allocated to Revolving Credit Loans, Swingline Loans or Competitive Loans, as the case may be, each Lender agrees that if it shall, through the exercise of a right of banker's lien, setoff or counterclaim against any Borrower, or pursuant to a secured claim under Section 506 of Title 11 of the United States Code or other security or interest arising from, or in lieu of, such secured claim, received by such Lender under any applicable bankruptcy, insolvency or other similar law or otherwise, or by any other means (other than pursuant to any provision of this Agreement), obtain payment (voluntary or involuntary) in respect of any category of its Loans or such Lender's Revolving Credit Percentage of any LC Disbursement as a result of which the unpaid principal portion of such Loans or the unpaid portion of such Lender's Revolving Credit Percentage of the LC Disbursements shall be proportionately less than the unpaid principal portion of such Loans or the unpaid portion of the Revolving Credit Percentage of the LC Disbursements of any other Lender, it shall be deemed simultaneously to have purchased from such other Lender at face value, and shall promptly pay to such other Lender the purchase price for, a participation in such Loans or the Revolving Credit Percentage of the LC Disbursements of such other Lender, so that the aggregate unpaid principal amount of such Loans and participations in such Loans held by each Lender or the Revolving Credit Percentage of LC Disbursements and participations in LC Disbursements held by each Lender shall be in the same proportion to the aggregate unpaid principal amount of all such Loans or LC Disbursements then outstanding as the principal amount of such Loans or the Revolving Credit Percentage of LC Disbursements of each Lender prior to such exercise of banker's lien, setoff or counterclaim or other event was to the principal amount of all such Loans or LC Disbursements outstanding prior to such exercise of banker's lien, setoff or counterclaim or other event; provided, however, that, if any such purchase or purchases or adjustments shall be made pursuant to this Section 2.18 and the payment giving rise thereto shall thereafter be recovered, such purchase or purchases or adjustments shall be rescinded to the extent of such recovery and the purchase price or prices or adjustment restored without interest, unless the Lender from which such payment is recovered is required to pay interest thereon, in which case each Lender returning funds to such Lender shall pay its pro rata share of such interest. Any Lender holding a participation in a Loan or LC Disbursement deemed to have been so purchased may exercise any and all rights of banker's lien, setoff or counterclaim with respect to any and all moneys owing by any Borrower to such Lender by reason thereof as fully as if such Lender had made a Loan directly to such Borrower or issued a Letter of Credit for the account of such Borrower in the amount of such participation.

SECTION 2.19. Payments.

(a) Except as otherwise expressly provided herein, each Borrower shall make each payment (including principal of or interest on any Loan or any Fees or other amounts) hereunder without setoff or counterclaim and shall make each such payment not later than 12:00 noon, New York City time, on the date when due in Dollars to the Administrative Agent at its offices at The Chase Manhattan Bank, 270 Park Avenue, New York, New York 10017, in immediately available funds. Notwithstanding the foregoing, each Borrower shall make each payment with respect to any Loan denominated in any Foreign Currency (including principal of or interest on any such Loan or other amounts) hereunder without setoff or counterclaim and shall make each such payment not later than 12:00 noon, London time, on the date when due in the relevant Foreign Currency to the Administrative Agent at its offices at Chase Manhattan International Ltd., 9 Thomas Moore Street, London E1-9YT United Kingdom, in immediately available funds.

(b) Whenever any payment (including principal of or interest on any Loan or any Fees or other amounts) hereunder shall become due, or otherwise would occur, on a day that is not a Business Day, such payment may be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of interest or Fees, if applicable.

SECTION 2.20. Taxes.

(a) Any and all payments by each Borrower hereunder shall be made, in accordance with Section 2.19, free and clear of and without deduction for any and all present or future taxes, levies, imposts, duties, charges, fees, deductions, charges or withholdings, and all liabilities with respect thereto imposed by or on behalf of any Governmental Authority, excluding net income taxes and franchise taxes (imposed in lieu of net income taxes) imposed on the Administrative Agent or any Lender as a result of a present or former connection between the Administrative Agent or such Lender and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Administrative Agent's or such Lender's having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement or any other Loan Document) (all such nonexcluded taxes, levies, imposts, duties, charges, fees, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes"). If any Borrower shall be required by law to deduct any Taxes or Other Taxes from or in respect of any sum payable to any Agent or any Lender hereunder, (i) the sum payable shall be increased by the amount necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.20) such Agent or such Lender shall receive an amount equal to the sum it would have received had no such deductions been made, (ii) such Borrower shall make such deductions and (iii) such Borrower shall pay the full amount deducted to the relevant taxing authority or other Governmental Authority in accordance with applicable law.

(b) The relevant Borrower agrees to pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The relevant Borrower will indemnify each Lender (or Transferee) and the Administrative Agent for the full amount of Taxes and Other Taxes (including any Taxes or Other Taxes imposed by the applicable jurisdiction on amounts payable under this Section 2.20) paid by such Lender (or Transferee) or the Administrative Agent, as the case may be, and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted by the relevant taxing authority or other Governmental Authority. Such indemnification shall be made within 30 days after the date such Lender (or Transferee) or the Administrative Agent, as the case may be, makes written demand therefor.

(d) Whenever any Taxes or Other Taxes are payable by any Borrower, within 30 days thereafter such Borrower shall send to the Administrative Agent for its own account or for the account of the relevant Lender, as the case may be, a certified copy of an official receipt received by such Borrower showing payment thereof (or other evidence of such payment reasonably satisfactory to the Administrative Agent).

(e) Without prejudice to the survival of any other agreement contained herein, the agreements and obligations contained in this Section 2.20 shall survive the payment in full of the principal of and interest on all Loans made hereunder and of all other amounts payable hereunder.

(f) Each Lender (or Transferee) that is not a "United States Person" as defined in Section 7701(a)(30) of the Code (such Lender (or Transferee), a "Non-U.S. Person") shall deliver to Viacom and the Administrative Agent (or, in the case of a participant, to the Lender from which the related participation shall have been purchased) two copies of either U.S. Internal Revenue Service Form W-8BEN or Form W-8ECI, or, in the case of a Non-U.S. Person claiming exemption from U.S. federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", a Form W-8BEN, or any subsequent versions thereof or successors thereto (and, if such Non-U.S. Person, claiming an exemption with respect to payments of "portfolio interest", delivers a Form W-8BEN, an annual certificate representing that such Non-U.S. Person is not a "bank" for purposes of Section 881(c) of the Code, is not a 10-percent shareholder (within the meaning of Section 871(h)(3)(B) of the Code) of Viacom and is not a controlled foreign corporation related to Viacom (within the meaning of Section 864(d)(4) of the Code)), properly completed and duly executed by such Non-U.S. Person claiming complete exemption from U.S. federal withholding tax on all payments by any Borrower under this Agreement. Such forms shall be delivered by each Non-U.S. Person promptly after it becomes a party to this Agreement (or, in the case of any participant, promptly after the date such participant purchases the related participation). In addition, each Non-U.S. Person shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such Non-U.S. Person. Each Non-U.S. Person shall promptly notify Viacom at any time it determines that it is no longer in a position to provide any previously delivered certificate to Viacom (or any other form of certification adopted by the U.S. taxing authorities for such purpose). Unless Viacom and the Administrative Agent (or, in the case of a participant, the Lender from which the related participation shall have been purchased) have received forms or other documents satisfactory to them indicating that payments hereunder are not subject to United States withholding tax, the relevant Borrower or the Administrative Agent shall withhold taxes from such payments at the applicable statutory rate in the case of payments

of interest to or for any Lender (or Transferee) that is a Non-U.S. Person. Notwithstanding any other provision of this Section 2.20(f), a Non-U.S. Person shall not be required to deliver any form pursuant to this Section 2.20(f) that such Non-U.S. Person is not legally able to deliver by reason of the adoption of any law, rule or regulation, or any change in any law, rule or regulation or in the interpretation thereof, in each case occurring after the date such Non-U.S. Person becomes a Lender (or Transferee).

(g) A Lender that is entitled to an exemption from or reduction of any non-U.S. withholding tax under the law of the jurisdiction in which a Borrower is located, or under any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to such Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law or reasonably requested by such Borrower, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate, provided that such Lender is legally entitled to complete, execute and deliver such documentation and in such Lender's reasonable judgment such completion, execution or submission would not materially prejudice the legal position of such Lender.

(h) No Borrower shall be required to pay any additional amounts to any Agent or Lender pursuant to paragraph (a) above (i) if the obligation to pay such additional amounts would not have arisen but for a failure by such Agent or Lender to comply with the provisions of paragraph (f) or (g) above or (ii) in the case of a Transferee, to the extent such additional amounts exceed the additional amounts that would have been payable had no transfer or assignment to such Transferee occurred; provided, however, that each Borrower shall be required to pay those amounts to any Agent or Lender (or Transferee) that it was required to pay hereunder prior to the failure of such Agent or Lender (or Transferee) to comply with the provisions of such paragraph (f) or (g).

SECTION 2.21. Termination or Assignment of Commitments Under Certain Circumstances.

(a) Any Lender (or Transferee) claiming any additional amounts payable pursuant to Section 2.15 or Section 2.20 shall use reasonable efforts (consistent with legal and regulatory restrictions) to file any certificate or document requested by any Borrower or to change the jurisdiction of its applicable lending office if the making of such a filing or change would avoid the need for or reduce the amount of any such additional amounts which may thereafter accrue and would not, in the sole determination of such Lender (or Transferee), be otherwise disadvantageous to such Lender (or Transferee).

(b) In the event that (x) any Lender shall have delivered a notice or certificate pursuant to Section 2.15, (y) any Borrower shall be required to make additional payments to any Lender under Section 2.20, or (z) any Lender (a "Non-Consenting Lender") shall withhold its consent to any amendment described in clause (i) or (ii) of Section 9.8(b) as to which consents have been obtained from Lenders having Total Facility Percentages aggregating at least 90%, Viacom shall have the right, at its own expense, upon notice to such Lender (or Lenders) and the Administrative Agent, (i) to terminate the Commitments of such Lender (except in the case of clause (z) above) or (ii) to require such Lender (or, in the case of clause (z) above, each Non-

Consenting Lender) to transfer and assign without recourse (in accordance with and subject to the restrictions contained in Section 9.4) all its interests, rights and obligations under this Agreement to one or more other financial institutions acceptable to Viacom (unless an Event of Default has occurred and is continuing) and the Administrative Agent, which approval in each case shall not be unreasonably withheld, which shall assume such obligations; provided, that (w) in the case of any replacement of Non-Consenting Lenders, each assignee shall have consented to the relevant amendment, (x) no such termination or assignment shall conflict with any law, rule or regulation or order of any Governmental Authority, (y) the Borrowers or the assignee (or assignees), as the case may be, shall pay to each affected Lender in immediately available funds on the date of such termination or assignment the principal of and interest accrued to the date of payment on the Loans made by it hereunder and all other amounts accrued for its account or owed to it hereunder and (z) Viacom may not terminate Commitments representing more than 10% of the original aggregate Commitments pursuant to this paragraph (b).

SECTION 2.22. Currency Equivalents.

(a) The Administrative Agent shall determine the Dollar equivalent of each Competitive Bid Loan in a Foreign Currency as of the first day of each Interest Period applicable thereto and, in the case of any such Interest Period of more than three months, at three-month intervals after the first day thereof. The Administrative Agent shall promptly notify the Borrower and the Lenders of the Dollar equivalent so determined by it. Each such determination shall be based on the Spot Rate (i) on the date of the related Competitive Bid Request, for purposes of the initial determination of such Competitive Bid Loan, and (ii) on the fourth Business Day prior to the date on which such Dollar equivalent is to be determined, for purposes of subsequent determinations.

(b) The Administrative Agent shall determine the Dollar equivalent of the Aggregate LC Exposure related to each Letter of Credit issued in a Foreign Currency as of the date of the issuance thereof, at three-month intervals after the date of issuance thereof and as of the date of each drawing thereunder. Each such determination shall be based on the Spot Rate (i) on the date of the related notice of any proposed issuance of a Letter of Credit pursuant to Section 2.7(c), in the case of the initial determination of such Letter of Credit, (ii) on the second Business Day prior to the date as of which such Dollar equivalent is to be determined, in the case of any subsequent determination with respect to an outstanding Letter of Credit and (iii) on the second Business Day prior to the related drawing thereunder, in the case of any determination as of a drawing thereunder.

(c) If after giving effect to any such determination of a Dollar equivalent under (a) or (b) above, the Dollar equivalent of (a) or (b) above exceeds \$150,000,000, the Borrower shall within five Business Days, (i), in the case of an excess determined pursuant to (a) above, prepay outstanding Competitive Bid Loans in Foreign Currencies to eliminate such excess, (ii), in the case of an excess determined pursuant to (b) above, prepay (or, at the relevant Borrower's option, cash collateralize) Letters of Credit in Foreign Currencies to eliminate such excess, or (iii), in each case, take such other action to the extent necessary to eliminate any such excess; provided, whether or not the Dollar equivalent of (a) or (b) above exceeds \$150,000,000, if after giving effect to any such determination of a Dollar equivalent under (a) or (b) above, the Commitment Utilization Percentage is greater than 110%, the Borrower shall within five

Business Days prepay outstanding Competitive Bid Loans in Foreign Currencies, prepay (or, at the relevant Borrower's option, cash collateralize) outstanding Letters of Credit in Foreign Currencies or take such other action to the extent necessary to eliminate any such excess.

SECTION 2.23. Judgment Currency.

If, for the purpose of obtaining judgment in any court, it is necessary to convert a sum due from the Borrower hereunder in the currency expressed to be payable herein (the "specified currency") into another currency, the parties hereto agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the specified currency with such other currency at the Administrative Agent's London office on any Business Day preceding that on which the final judgment is given. The obligations of the Borrower in respect of any sum due to any Lender or the Administrative Agent hereunder shall, notwithstanding any judgment in a currency other than the specified currency, be discharged only to the extent that on the Business Day following receipt by such Lender or the Administrative Agent, as the case may be, of any sum adjudged to be so due in such other currency such Lender or the Administrative Agent, as the case may be, may in accordance with normal banking procedures purchase the specified currency with such other currency. If the amount of the specified currency so purchased is less than the sum originally due to such Lender or the Administrative Agent, as the case may be, in the specified currency, the Borrower agrees, to the fullest extent that it may effectively do so, as a separate obligation and notwithstanding any such judgment, to indemnify such Lender or the Administrative Agent, as the case may be, against such loss, and if the amount of the specified currency so purchased exceeds (i) the sum originally due to any Lender or the Administrative Agent, as the case may be, in the specified currency and (ii) any amounts shared with other Lenders as a result of allocations of such excess as a disproportionate payment to such Lender as compared to such Lender's Total Facility Percentage, such Lender or the Administrative Agent, as the case may be, agrees to remit such excess to the Borrower.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

Viacom hereby represents and warrants, and each Subsidiary Borrower by its execution and delivery of a Subsidiary Borrower Request represents and warrants (to the extent specifically applicable to such Subsidiary Borrower), to each of the Lenders that:

SECTION 3.1. Corporate Existence.

Each of Viacom and each Material Subsidiary: (a) is a corporation, partnership or other entity duly organized and validly existing under the laws of the jurisdiction of its organization; (b) has all requisite corporate or other power, and has all material governmental licenses, authorizations, consents and approvals, necessary to own its assets and carry on its business as now being or as proposed to be conducted, except where the failure to have any of the foregoing would not result in a Material Adverse Effect; and (c) is qualified to do business in

all jurisdictions in which the nature of the business conducted by it makes such qualification necessary and where failure so to qualify would result in a Material Adverse Effect.

SECTION 3.2. Financial Condition.

The consolidated balance sheet of Viacom and its Consolidated Subsidiaries as at December 31, 1999, and the related consolidated statements of income and cash flows of Viacom and its Consolidated Subsidiaries for the fiscal year ended on such date, with the opinion thereon of PricewaterhouseCoopers LLC, heretofore furnished to each of the Lenders, fairly present the consolidated financial condition of Viacom and its Consolidated Subsidiaries as at such date and the consolidated results of their operations for the fiscal year ended on such date in accordance with GAAP. Neither Viacom nor any of its Material Subsidiaries had on such date any known material contingent liability, except as referred to or reflected or provided for in the Exchange Act Report or in such balance sheets (or the notes thereto) as at such date.

SECTION 3.3. Litigation.

Except as disclosed to the Lenders in the Exchange Act Report filed prior to the Closing Date or otherwise disclosed in writing to the Lenders prior to the Closing Date, there are no legal or arbitral proceedings, or any proceedings by or before any Governmental Authority, pending or (to the knowledge of Viacom) threatened against Viacom or any of its Material Subsidiaries which have resulted in a Material Adverse Effect (it being agreed that any legal or arbitral proceedings which have been disclosed in the Exchange Act Report, whether threatened, pending, resulting in a judgment or otherwise, prior to the time a final judgment for the payment of money shall have been recorded against Viacom or any Material Subsidiary by any Governmental Authority having jurisdiction, and the judgment is non-appealable (or the time for appeal has expired) and all stays of execution have expired or been lifted shall not, in and of itself, be deemed to result in a Material Adverse Effect). The "Exchange Act Report" shall mean, collectively, (i) the Annual Report of Viacom on Form 10-K for the year ended December 31, 1999 and Quarterly Reports on Form 10-Q and Reports on Form 8-K of Viacom filed subsequent to December 31, 1999, but on or before February 20, 2001, (ii) the Annual Report of CBS Corporation on Form 10-K for the year ended December 31, 1999 and Quarterly Reports on Form 10-Q and Reports on Form 8-K of Viacom filed subsequent to December 31, 1999, but on or before February 20, 2001, and (iii) Reports on Form S-4 filed on October 7, 1999 and November 22, 2000, in each case, as amended or supplemented on or before February 20, 2001.

SECTION 3.4. No Breach, etc.

None of the execution and delivery of this Agreement, the consummation of the transactions herein contemplated and compliance with the terms and provisions hereof will conflict with or result in a breach of, or require any consent under, the charter or By-laws (or other equivalent organizational documents) of any Borrower, or any applicable law or regulation, or any order, writ, injunction or decree of any Governmental Authority, or any material agreement or instrument to which Viacom or any of its Material Subsidiaries is a party or by which any of them is bound or to which any of them is subject, or constitute a default under any such agreement or instrument, or result in the creation or imposition of any Lien upon any of the revenues or assets of Viacom or any of its Material Subsidiaries pursuant to the terms of any

such agreement or instrument. Neither Viacom nor any of its Material Subsidiaries is in default under or with respect to any of its material contractual obligations in any respect which would have a Material Adverse Effect.

SECTION 3.5. Corporate Action Each Borrower has all necessary corporate power and authority to execute, deliver and perform its obligations under this Agreement; the execution and delivery by each Borrower of this Agreement (or, in the case of each Subsidiary Borrower, the relevant Subsidiary Borrower Request), and the performance by each Borrower of this Agreement, have been duly authorized by all necessary corporate action on such Borrower's part; this Agreement (or, in the case of each Subsidiary Borrower, the relevant Subsidiary Borrower Request) has been duly and validly executed and delivered by each Borrower; and this Agreement constitutes a legal, valid and binding obligation of each Borrower, enforceable in accordance with its terms except as such enforceability may be limited by (a) bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or similar laws of general applicability affecting the enforcement of creditors' rights and (b) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

SECTION 3.6. Approvals No authorizations, approvals or consents of, and no filings or registrations with, any Governmental Authority are necessary for the execution, delivery or performance by each Borrower of this Agreement or for the validity or enforceability hereof.

SECTION 3.7. ERISA Viacom and, to the best of its knowledge, its ERISA Affiliates have fulfilled their respective obligations under the minimum funding standards of ERISA and the Code with respect to each Plan and are in compliance in all material respects with the currently applicable provisions of ERISA and the Code except where any failure or non-compliance would not result in a Material Adverse Effect.

SECTION 3.8. Taxes.

As of the Amendment Closing Date, United States Federal income tax returns of or including Viacom have been, to the knowledge of Viacom, examined and closed through the fiscal year of Viacom ended December 31, 1994. Viacom and its Material Subsidiaries, to the knowledge of Viacom, have filed all United States Federal income tax returns and all other material tax returns which are required to be filed by or in respect of them and have paid or caused to be paid all taxes shown as due on such returns or pursuant to any assessment received by Viacom or any of its Material Subsidiaries, except those being contested and reserved against in accordance with Section 5.2.

SECTION 3.9. Investment Company Act No Borrower is an "investment company", or a company "controlled" by an "investment company", subject to regulation under the Investment Company Act of 1940, as amended.

SECTION 3.10. Environmental Except as in the aggregate would not have a Material Adverse Effect, neither Viacom nor any of its Subsidiaries has received any notice of violation, alleged violation, non-compliance or liability regarding environmental matters or compliance with Environmental Laws with regard to any of its or its Subsidiaries' Properties or business, nor does Viacom have any knowledge that any notice will be received or is being threatened.

SECTION 3.11. Material Subsidiaries The list of Material Subsidiaries set forth in the most recently issued Form 10-K of Viacom is complete and correct in all material respects as of the date of the issuance of such Form 10-K.

ARTICLE IV

CONDITIONS OF EFFECTIVENESS AND LENDING

SECTION 4.1. Effectiveness.

The effectiveness of this Agreement is subject to the satisfaction of the following conditions:

(a) Amended and Restated Credit Agreement. The Administrative Agent shall have received this Agreement, executed and delivered by a duly authorized officer of Viacom and Viacom International.

(b) Closing Certificate. The Administrative Agent shall have received a Closing Certificate, substantially in the form of Exhibit E, of Viacom and Viacom International, with appropriate insertions and attachments.

(c) Termination of Existing Credit Agreements. The Existing Credit Agreements shall have been paid in full and all obligations thereunder shall have been terminated.

(d) Opinion of Counsel. The Administrative Agent shall have received an opinion of the general counsel of Viacom and Viacom International in form and substance satisfactory to the Administrative Agent and customary for transactions of this type.

(e) Five-Year Credit Agreement and 364-Day Credit Agreement. All conditions to effectiveness specified in Section 4.1 of the Five-Year Credit Agreement and Section 4.1 of the 364-Day Credit Agreement shall have been satisfied.

SECTION 4.2. Initial Loans to Subsidiary Borrowers.

The obligation of each Lender to make its initial Loan to a particular Subsidiary Borrower, if designated as such after the Amendment Closing Date, is subject to the satisfaction of the conditions that (a) Viacom shall have delivered to the Administrative Agent a Subsidiary Borrower Designation for such Subsidiary Borrower and (b) such Subsidiary Borrower shall have furnished to the Administrative Agent (i) a Subsidiary Borrower Request, (ii) a Closing Certificate of such Subsidiary Borrower, with appropriate insertions and attachments and (iii) one or more executed legal opinions with respect to such Subsidiary Borrower, in form and substance reasonably satisfactory to the Administrative Agent. Any Subsidiary designated as a Subsidiary Borrower by Infinity pursuant to this Agreement prior to the Amendment Closing Date shall continue to be a Subsidiary Borrower after the Amendment Closing Date, unless Infinity subsequently delivered a termination of such Subsidiary Borrower's designation prior to the Amendment Closing Date; provided, such Subsidiary Borrower shall deliver to the Administrative Agent the items listed in clause (ii) and (iii) above prior to such Subsidiary Borrower's initial borrowing after the Amendment Closing Date. Viacom may from time to time deliver a subsequent Subsidiary Borrower Designation with respect to any Subsidiary Borrower, countersigned by such Subsidiary Borrower, for the purpose of terminating such Subsidiary Borrower's designation as such, so long as, on the effective date of such termination, all Subsidiary Borrower Obligations in respect of such Subsidiary Borrower shall have been paid in full. In addition, if on any date a Subsidiary Borrower shall cease to be a Subsidiary, all Subsidiary Borrower Obligations in respect of such Subsidiary Borrower shall automatically become due and payable on such date and no further Loans may be borrowed by such Subsidiary Borrower hereunder.

SECTION 4.3. All Credit Events.

The obligation of each Lender to make each Loan, and the obligation of each Issuing Lender to issue each Letter of Credit, are subject to the satisfaction of the following conditions:

(a) The Administrative Agent shall have received a request for, or notice of, such Credit Event if and as required by Section 2.3, 2.4, 2.6 or 2.7, as applicable;

(b) Each of the representations and warranties made by Viacom and, in the case of a borrowing by a Subsidiary Borrower, by such Subsidiary Borrower, in Sections 3.1, 3.2, 3.4, 3.5 and 3.6 shall be true and correct in all material respects on and as of the date of such Credit Event with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date in which case such representations and warranties shall be true and correct in all material respects as of such earlier date;

(c) At the time of and immediately after giving effect to such Credit Event no Default or Event of Default shall have occurred and be continuing; and

(d) After giving effect to such Credit Event, (i) the Outstanding Revolving Extensions of Credit of each Lender shall not exceed such Lender's Commitment then in effect and (ii) the Total Facility Exposure shall not exceed the Total Commitment then in effect.

Each Credit Event shall be deemed to constitute a representation and warranty by Viacom on the date of such Credit Event as to the matters specified in paragraphs (b) and (c) of this Section 4.3.

ARTICLE V

COVENANTS

Viacom covenants and agrees with each Lender that, as long as the Commitments shall be in effect or the principal of or interest on any Loan shall be unpaid, or there shall be any Aggregate LC Exposure, unless the Required Lenders shall otherwise consent in writing:

SECTION 5.1. Financial Statements.

Viacom shall deliver to each of the Lenders:

(a) within 60 days after the end of each of the first three quarterly fiscal periods of each fiscal year of Viacom, consolidated statements of income and cash flows of Viacom and its Consolidated Subsidiaries for such period and for the period from the beginning of the respective fiscal year to the end of such period, and the related consolidated balance sheet as at the end of such period, setting forth in each case in comparative form the corresponding consolidated figures for the corresponding period in the preceding fiscal year, accompanied by a certificate of a Financial Officer of Viacom which certificate shall state that such financial statements fairly present the consolidated financial condition and results of operations of Viacom and its Consolidated Subsidiaries in accordance with GAAP as at the end of, and for, such period, subject to normal year-end audit adjustments; provided, that the requirement herein for the furnishing of such quarterly financial statements may be fulfilled by providing to the Lenders the report of Viacom to the SEC on Form 10-Q for the applicable quarterly period, accompanied by the officer's certificate described in the last sentence of this Section 5.1;

(b) within 120 days after the end of each fiscal year of Viacom, consolidated statements of income and cash flows of Viacom and its Consolidated Subsidiaries for such year and the related consolidated balance sheet as at the end of such year, setting forth in comparative form the corresponding consolidated figures for the preceding fiscal year, and accompanied by an opinion thereon (unqualified as to the scope of the audit) of independent certified public accountants of recognized national standing, which opinion shall state that such consolidated financial statements fairly present the consolidated financial condition and results of operations of Viacom and its Consolidated Subsidiaries as at the end of, and for, such fiscal year; provided, that the requirement herein for the furnishing of annual financial statements may be fulfilled by providing to the Lenders the report of Viacom to the SEC on Form 10-K for the applicable fiscal year;

(c) promptly upon their becoming publicly available, copies of all registration statements and regular periodic reports (including without limitation any and all reports on Form

8-K), if any, which Viacom or any of its Subsidiaries shall have filed with the SEC or any national securities exchange;

(d) promptly upon the mailing thereof to the shareholders of Viacom generally, copies of all financial statements, reports and proxy statements so mailed;

(e) within 30 days after a Responsible Officer of Viacom knows or has reason to believe that any of the events or conditions specified below with respect to any Plan or Multiemployer Plan have occurred or exist which would reasonably be expected to result in a Material Adverse Effect, a statement signed by a senior financial officer of Viacom setting forth details respecting such event or condition and the action, if any, which Viacom or its ERISA Affiliate proposes to take with respect thereto (and a copy of any report or notice required to be filed with or given to PBGC by Viacom or an ERISA Affiliate with respect to such event or condition):

(i) any reportable event, as defined in Section 4043(b) of ERISA and the regulations issued thereunder, with respect to a Plan, as to which PBGC has not by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within 30 days of the occurrence of such event; provided, that a failure to meet the minimum funding standard of Section 412 of the Code or Section 302 of ERISA shall be a reportable event regardless of the issuance of any waiver in accordance with Section 412(d) of the Code;

(ii) the filing under Section 4041 of ERISA of a notice of intent to terminate any Plan or the termination of any Plan;

(iii) the institution by PBGC of proceedings under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by Viacom or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by PBGC with respect to such Multiemployer Plan;

(iv) the complete or partial withdrawal by Viacom or any ERISA Affiliate under Section 4201 or 4204 of ERISA from a Multiemployer Plan, or the receipt by Viacom or any ERISA Affiliate of notice from a Multiemployer Plan that it is in reorganization or insolvency pursuant to Section 4241 or 4245 of ERISA or that it intends to terminate or has terminated under Section 4041A of ERISA;

(v) the institution of a proceeding by a fiduciary of any Multiemployer Plan against Viacom or any ERISA Affiliate to enforce Section 515 of ERISA, which proceeding is not dismissed within 30 days; and

(vi) a failure to make a required installment or other payment with respect to a Plan (within the meaning of Section 412(n) of the Code), in which case the notice required hereunder shall be provided within 10 days after the due date for filing notice of such failure with the PBGC;

(f) promptly after a Responsible Officer of Viacom knows or has reason to believe that any Default or Event of Default has occurred, a notice of such Default or Event of Default describing it in reasonable detail and, together with such notice or as soon thereafter as possible, a description of the action that Viacom has taken and proposes to take with respect thereto;

(g) promptly after a Responsible Officer of Viacom knows that any change has occurred in Viacom's Debt Rating by either Rating Agency, a notice describing such change; and

(h) promptly from time to time such other information regarding the financial condition, operations or business of Viacom or any of its Subsidiaries (including, without limitation, any Plan or Multiemployer Plan and any reports or other information required to be filed under ERISA) as any Lender through the Administrative Agent may reasonably request.

Viacom will furnish to the Administrative Agent and each Lender, at the time it furnishes each set of financial statements pursuant to paragraph (a) or (b) above, a certificate (which may be a copy in the case of each Lender) of a Financial Officer of Viacom (a "Compliance Certificate") (i) to the effect that no Default or Event of Default has occurred and is continuing (or, if any Default or Event of Default has occurred and is continuing, describing it in reasonable detail and describing the action that Viacom has taken and proposes to take with respect thereto), and (ii) setting forth in reasonable detail the computations (including any pro forma calculations as described in Section 1.2(c)) necessary to determine whether Viacom is in compliance with the Financial Covenant as of the end of the respective quarterly fiscal period or fiscal year. Each Lender hereby agrees that Viacom may, in its discretion, provide any notice, report or other information to be provided pursuant to this Section 5.1 to such Lender by (i) electronic mail to the electronic mail address provided by such Lender and/or (ii) through access to a web site, including, without limitation, www.sec.gov.

SECTION 5.2. Corporate Existence, Etc.

Viacom will, and will cause each of its Material Subsidiaries to, preserve and maintain its legal existence and all of its material rights, privileges and franchises (provided that (a) nothing in this Section 5.2 shall prohibit any transaction expressly permitted under Section 5.4, (b) the corporate existence of any Subsidiary (other than a Subsidiary Borrower or Viacom International) may be terminated if, in the good faith judgment of the board of directors or the chief financial officer of Viacom, such termination is in the best interests of Viacom and such termination would not have a Material Adverse Effect), and (c) Viacom or such Material Subsidiary shall not be required to preserve or maintain any such right, privilege or franchise if the Board of Directors of Viacom or such Material Subsidiary, as the case may be, shall determine that the preservation or maintenance thereof is no longer desirable in the conduct of the business of Viacom or such Material Subsidiary, as the case may be); comply with the requirements of all applicable laws, rules, regulations and orders of Governmental Authorities (including, without limitation, all Environmental Laws) and with all contractual obligations if failure to comply with such requirements or obligations would reasonably be expected to result in a Material Adverse Effect; pay and discharge all material taxes, assessments, governmental charges, levies or other obligations of whatever nature imposed on it or on its income or profits

or on any of its Property prior to the date on which penalties attach thereto, except for any such tax, assessment, charge, levy or other obligation the payment of which is being contested in good faith and by proper proceedings and against which adequate reserves are being maintained; maintain all its Property used or useful in its business in good working order and condition, ordinary wear and tear excepted, all as in the judgment of Viacom or such Material Subsidiary may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times (provided that Viacom or such Material Subsidiary shall not be required to maintain any such Property if the failure to maintain any such Property is, in the judgment of Viacom or such Material Subsidiary, desirable in the conduct of the business of Viacom or such Material Subsidiary); keep proper books of records and accounts in which entries that are full, true and correct in all material respects shall be made in conformity with GAAP; and permit representatives of any Lender, during normal business hours upon reasonable advance notice, to inspect any of its books and records and to discuss its business and affairs with its Financial Officers or their designees, all to the extent reasonably requested by such Lender.

SECTION 5.3. Insurance.

Viacom will, and will cause each of its Material Subsidiaries to, keep insured by financially sound and reputable insurers all Property of a character usually insured by corporations engaged in the same or similar business and similarly situated against loss or damage of the kinds and in the amounts consistent with prudent business practice and carry such other insurance as is consistent with prudent business practice (it being understood that self-insurance shall be permitted to the extent consistent with prudent business practice).

SECTION 5.4. Prohibition of Fundamental Changes.

Viacom will not, and will not permit any of its Material Subsidiaries to (i) enter into any transaction of merger, consolidation, liquidation or dissolution or (ii) Dispose of, in one transaction or a series of related transactions, all or a substantial part of the consolidated assets of Viacom and its Subsidiaries taken as a whole, whether now owned or hereafter acquired (excluding (x) financings by way of sales of receivables or inventory, (y) inventory or other Property Disposed of in the ordinary course of business and (z) obsolete or worn-out Property, tools or equipments no longer used or useful in its business). Notwithstanding the foregoing provisions of this Section 5.4:

(a) Viacom may consummate the Blockbuster Event;

(b) any Subsidiary of Viacom may be merged or consolidated with or into: (i) Viacom if Viacom shall be the continuing or surviving corporation or (ii) any other such Subsidiary; provided, that (x) if any such transaction shall be between a Subsidiary and a Wholly Owned Subsidiary, such Wholly Owned Subsidiary shall be the continuing or surviving corporation and (y) if any such transaction shall be between a Subsidiary and a Subsidiary Borrower, the continuing or surviving corporation shall be a Subsidiary Borrower;

(c) any Subsidiary of Viacom may distribute, dividend or Dispose of any of or all its Property (upon voluntary liquidation or otherwise) to Viacom or a Wholly Owned Subsidiary of Viacom;

(d) Viacom may merge or consolidate with or into any other Person (including, without limitation, Viacom International) if (i) either (x) Viacom is the continuing or surviving corporation or (y) the corporation formed by such consolidation or into which Viacom is merged shall be a corporation organized under the laws of the United States of America, any State thereof or the District of Columbia and shall expressly assume the obligations of Viacom hereunder pursuant to a written agreement and shall have delivered to the Administrative Agent such agreement and a certificate of a Responsible Officer and an opinion of counsel to the effect that such merger or consolidation complies with this Section 5.4(c), and (ii) after giving effect thereto and to any repayment of Loans to be made upon consummation thereof (it being expressly understood that no repayment of Loans is required solely by virtue thereof), no Default or Event of Default shall have occurred and be continuing;

(e) any Subsidiary of Viacom may merge or consolidate with or into any other Person if, after giving effect thereto and to any repayment of Loans to be made upon the consummation thereof (it being expressly understood that, except as otherwise expressly provided in Section 4.2 with respect to Subsidiary Borrowers, no repayment of Loans is required solely by virtue thereof), no Default or Event of Default shall have occurred and be continuing; and

(f) Viacom or any Subsidiary of Viacom may Dispose of its Property if, after giving effect thereto and to any repayment of Loans to be made upon the consummation thereof (it being expressly understood that, except as otherwise expressly provided in Section 4.2 with respect to Subsidiary Borrowers, no repayment of Loans is required solely by virtue thereof), no Default or Event of Default shall have occurred and be continuing.

SECTION 5.5. Limitation on Liens.

Viacom shall not, directly or indirectly, create or suffer to exist, or permit any of its Subsidiaries to create or suffer to exist, any Lien upon or with respect to any of its Properties, whether now owned or hereafter acquired, or assign, or permit any of its Subsidiaries to assign, any right to receive income, in each case to secure or provide for the payment of any Indebtedness of any Person, except:

(a) purchase money Liens or purchase money security interests upon or in any Property acquired or held by Viacom or any Subsidiary of Viacom in the ordinary course of business to secure the purchase price of such Property or to secure Indebtedness incurred solely for the purpose of financing the acquisition of such Property;

(b) Liens existing on Property at the time of its acquisition (other than any such Lien created in contemplation of such acquisition);

(c) Liens on Property of Persons which become or became Subsidiaries securing Indebtedness existing, with respect to any such Person, on the date such Person becomes or

became a Subsidiary (other than any such Lien created in contemplation of such Person becoming a Subsidiary);

(d) Liens securing Indebtedness incurred by Viacom or any Subsidiary of Viacom; provided, however, that the aggregate principal amount of Indebtedness referred to in this clause (d) secured by Liens shall not exceed \$30,000,000 at any time outstanding; and

(e) any Lien securing the renewal, extension or refunding of any Indebtedness secured by any Lien permitted by clause (a), (b), (c) or (d) above that does not extend to Indebtedness other than that which is being renewed, extended or refunded.

SECTION 5.6. Limitation on Subsidiary Indebtedness. Viacom will not permit any of its Subsidiaries to create, incur, assume or suffer to exist any Indebtedness (which includes, for the purposes of this Section 5.6, any preferred stock), except:

(a) Indebtedness of any Person which is acquired by Viacom or any of its Subsidiaries after the Closing Date, which Indebtedness was outstanding prior to the date of acquisition of such Person and was not created in anticipation thereof;

(b) any Indebtedness owing by Viacom or any of its Subsidiaries to Viacom or any of its Subsidiaries (including any intercompany Indebtedness created by the declaration of a note payable dividend by any Subsidiary to Viacom or any of its other Subsidiaries);

(c) Indebtedness (including backed-up commercial paper) of any Subsidiary Borrower or Viacom International under this Agreement;

(d) Indebtedness (including backed-up commercial paper) existing at any time under the Five-Year Credit Agreement or under the 364-Day Credit Agreement;

(e) Indebtedness outstanding on the Closing Date, with such Indebtedness outstanding as of September 30, 2000 being set forth on Schedule 5.6;

(f) any replacement, renewal, refinancing or extension of any Indebtedness permitted by Section 5.6(a) through (d) or set forth on Schedule 5.6 that does not exceed the aggregate principal amount (plus associated fees and expenses) of the Indebtedness being replaced, renewed, refinanced or extended (except that accrued and unpaid interest may be part of any refinancing); and

(g) Indebtedness incurred after the Closing Date; provided, that after giving effect thereto the aggregate principal amount of Indebtedness incurred pursuant to this paragraph (g) that is outstanding on such date (it being understood that, for the purposes of this paragraph (g), the term "Indebtedness" does not include Indebtedness excepted by any of clauses (a) through (f) inclusive) does not exceed the greater of (i) an aggregate principal amount in excess of 5% of Consolidated Tangible Assets (measured by reference to the then latest financial statements delivered pursuant to Section 5.1(a) or (b), as applicable) and (ii) \$800,000,000 at any time.

SECTION 5.7. Consolidated Coverage Ratio.

Viacom will not permit the Consolidated Coverage Ratio for any period of four consecutive fiscal quarters to be less than 3.00 to 1.00.

SECTION 5.8. Use of Proceeds.

On and after the Amendment Closing Date, each Borrower will use the proceeds of the Loans and will use the Letters of Credit hereunder solely for general corporate purposes, including, without limitation, acquisitions and commercial paper backup (in each case in compliance with all applicable legal and regulatory requirements, including, without limitation, Regulation U and the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and the regulations thereunder); provided, that neither any Agent nor any Lender shall have any responsibility as to the use of any of such proceeds.

SECTION 5.9. Transactions with Affiliates.

Excepting transactions directly or indirectly entered into pursuant to any agreement entered into prior to the Amendment Closing Date, or transactions contemplated by any agreement directly or indirectly entered into prior to the Amendment Closing Date, Viacom will not, and will not permit any of its Material Subsidiaries to, directly or indirectly enter into any material transaction with any Affiliate of Viacom except on terms at least as favorable to Viacom or such Subsidiary as it could obtain on an arm's-length basis.

ARTICLE VI

EVENTS OF DEFAULT.

In case of the happening of any of the following events ("Events of Default"):

(a) (i) any Borrower shall default in the payment when due of any principal of any Loan or (ii) any Borrower shall default in the payment when due of any interest on any Loan, any reimbursement obligation in respect of any LC Disbursement, any Fee or any other amount payable by it hereunder and, in the case of this clause (ii), such default shall continue unremedied for a period of five Business Days;

(b) any representation, warranty or certification made or deemed made herein (or in any modification or supplement hereto) by any Borrower, or any certificate furnished to any Lender or the Administrative Agent pursuant to the provisions hereof, shall prove to have been false or misleading in any material respect as of the time made, deemed made or furnished;

(c) (i) Viacom shall default in the performance of any of its obligations under Sections 5.7 or 5.8, (ii) Viacom shall default in the performance of any of its obligations under Section 5.4 and, in the case of this clause (ii), such default shall continue unremedied for a period of 5 days after notice thereof to Viacom by the Administrative Agent or the Required Lenders (through the Administrative Agent), or (iii) Viacom shall default in the performance of any of its other obligations under this Agreement and, in the case of this clause (iii), such default shall

continue unremedied for a period of 15 days after notice thereof to Viacom by the Administrative Agent or the Required Lenders (through the Administrative Agent);

(d) Viacom or any of its Subsidiaries shall (i) fail to pay at final maturity any Indebtedness in an aggregate amount in excess of \$250,000,000, or (ii) fail to make any payment (whether of principal, interest or otherwise), regardless of amount, due in respect of, or fail to observe or perform any other term, covenant, condition or agreement contained in any agreement or instrument evidencing or governing, any such Indebtedness, in excess of \$250,000,000 if the effect of any failure referred to in this clause (ii) has caused such Indebtedness to become due prior to its stated maturity (it being agreed that for purposes of this paragraph (d) only, the term "Indebtedness" shall include obligations under any interest rate protection agreement, foreign currency exchange agreement or other interest or exchange rate hedging agreement and that the amount of any Person's obligations under any such agreement shall be the net amount that such Person could be required to pay as a result of a termination thereof by reason of a default thereunder);

(e) Viacom or any of its Material Subsidiaries shall admit in writing its inability, or be generally unable, to pay its debts as such debts become due;

(f) Viacom or any of its Material Subsidiaries shall (i) apply for or consent to the appointment of, or the taking of possession by, a receiver, trustee or liquidator of itself or of all or a substantial part of its Property, (ii) make a general assignment for the benefit of its creditors, (iii) commence a voluntary case under the Bankruptcy Code (as now or hereafter in effect), (iv) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or readjustment of debts, (v) fail to controvert in a timely and appropriate manner, or acquiesce in writing to, any petition filed against it in an involuntary case under the Bankruptcy Code, or (vi) take any corporate action for the purpose of effecting any of the foregoing;

(g) a proceeding or a case shall be commenced, without the application or consent of Viacom or any of its Material Subsidiaries, in any court of competent jurisdiction, seeking (i) its liquidation, reorganization, dissolution or winding-up, or the composition or readjustment of its debts, (ii) the appointment of a trustee, receiver, custodian, liquidator or the like of Viacom or such Material Subsidiary or of all or any substantial part of its assets or (iii) similar relief in respect of Viacom or such Material Subsidiary under any law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed and in effect, for a period of 60 or more days; or an order for relief against Viacom or such Material Subsidiary shall be entered in an involuntary case under the Bankruptcy Code;

(h) a final judgment or judgments for the payment of money in excess of \$250,000,000 in the aggregate shall be rendered by one or more courts, administrative tribunals or other bodies having jurisdiction against Viacom and/or any of its Material Subsidiaries and the same shall not be paid or discharged (or provision shall not be made for such discharge), or a stay of execution thereof shall not be procured, within 60 days from the date of the date of entry thereof and Viacom or the relevant Material Subsidiary shall not, within said period of 60 days,

or such longer period during which execution of the same shall have been stayed, appeal therefrom and cause the execution thereof to be stayed during such appeal;

(i) an event or condition specified in Section 5.1(e) shall occur or exist with respect to any Plan or Multiemployer Plan and, as a result of such event or condition, together with all other such events or conditions, Viacom or any ERISA Affiliate shall incur or shall be reasonably likely to incur a liability to a Plan, a Multiemployer Plan or PBGC (or any combination of the foregoing) which would constitute a Material Adverse Effect; or

(j) The guarantee (i) by Viacom contained in Section 8.1 shall cease, for any reason, to be in full force and effect or Viacom shall so assert or (ii) by Viacom International contained in Section 8.2 shall cease, for any reason except pursuant to Section 8.2(g), to be in full force and effect or Viacom International shall so assert;

then and in every such event (other than an event with respect to Viacom described in paragraph (f) or (g) above), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to Viacom, take any or all of the following actions, at the same or different times: (I) terminate forthwith the Commitments, (II) declare the Loans then outstanding to be forthwith due and payable in whole or in part, whereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of each Borrower accrued hereunder, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by each Borrower, anything contained herein to the contrary notwithstanding, and (III) require that Viacom deposit cash with the Administrative Agent, in an amount equal to the Aggregate LC Exposure, as collateral security for the repayment of any future LC Disbursements; and in any event with respect to any Borrower described in paragraph (f) or (g) above, (A) if such Borrower is Viacom, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of each Borrower accrued hereunder, shall automatically become due and payable and Viacom shall be required to deposit cash with the Administrative Agent, in an amount equal to the Aggregate LC Exposure, as collateral security for the repayment of any future drawings under the Letters of Credit and (B) if such Borrower is a Subsidiary Borrower, the principal of the Loans made to such Subsidiary Borrower then outstanding, together with accrued interest thereon and all other liabilities of such Subsidiary Borrower accrued hereunder, shall automatically become due and payable and such Subsidiary Borrower shall be required to deposit cash with the Administrative Agent, in an amount equal to the outstanding Letters of Credit issued to such Subsidiary Borrower, as collateral security for the repayment of any future drawings under the Letters of Credit, in each case without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by each Borrower, anything contained herein to the contrary notwithstanding.

ARTICLE VII

THE AGENTS

In order to expedite the transactions contemplated by this Agreement, each Agent is hereby appointed to act as Agent on behalf of the Lenders. Each of the Lenders and the Issuing Lenders hereby irrevocably authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are specifically delegated to the Administrative Agent by the terms and provisions hereof, together with such actions and powers as are reasonably incidental thereto. The Administrative Agent is hereby expressly authorized by the Lenders and the Issuing Lenders, without hereby limiting any implied authority, (a) to receive on behalf of the Lenders all payments of principal of and interest on the Loans and the LC Disbursements and all other amounts due to the Lenders and Issuing Lenders hereunder, and promptly to distribute to each Lender and Issuing Lender its proper share of each payment so received; (b) to give notice on behalf of each of the Lenders to the Borrowers of any Event of Default specified in this Agreement of which the Administrative Agent has actual knowledge acquired in connection with its agency hereunder; and (c) to distribute to each Lender and Issuing Lender copies of all notices, financial statements and other materials delivered by any Borrower pursuant to this Agreement as received by the Administrative Agent.

Neither any Agent nor any of its directors, officers, employees or agents shall be liable as such for any action taken or omitted by any of them except for its or his own gross negligence or willful misconduct, or be responsible for any statement, warranty or representation herein or the contents of any document delivered in connection herewith, or be required to ascertain or to make any inquiry concerning the performance or observance by any Borrower of any of the terms, conditions, covenants or agreements contained in this Agreement. The Agents shall not be responsible to the Lenders for the due execution, genuineness, validity, enforceability or effectiveness of this Agreement or other instruments or agreements. The Administrative Agent shall in all cases be fully protected in acting, or refraining from acting, in accordance with written instructions signed by the Required Lenders (or, when expressly required hereby, all the Lenders) and, except as otherwise specifically provided herein, such instructions and any action or inaction pursuant thereto shall be binding on all the Lenders and the Issuing Lenders. The Administrative Agent shall, in the absence of knowledge to the contrary, be entitled to rely on any instrument or document believed by it in good faith to be genuine and correct and to have been signed or sent by the proper Person or Persons. Neither the Agents nor any of their directors, officers, employees or agents shall have any responsibility to any Borrower on account of the failure of or delay in performance or breach by any Lender or Issuing Lender of any of its obligations hereunder or to any Lender or Issuing Lender on account of the failure of or delay in performance or breach by any other Agent, any other Lender or Issuing Lender or any Borrower of any of their respective obligations hereunder or in connection herewith. The Administrative Agent may execute any and all duties hereunder by or through agents or employees and shall be entitled to rely upon the advice of legal counsel selected by it with respect to all matters arising hereunder and shall not be liable for any action taken or suffered in good faith by it in accordance with the advice of such counsel.

The Lenders and the Issuing Lenders hereby acknowledge that the Administrative Agent shall be under no duty to take any discretionary action permitted to be taken by it pursuant to the provisions of this Agreement unless it shall be requested in writing to do so by the Required Lenders.

Subject to the appointment and acceptance of a successor Administrative Agent as provided below, the Administrative Agent may resign at any time by notifying the Lenders, the Issuing Lenders and the Borrowers. Upon any such resignation, the Required Lenders shall have the right to appoint from the Lenders a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint from the Lenders a successor Administrative Agent which shall be a bank with an office in New York, New York, having a combined capital and surplus of at least \$500,000,000 or an affiliate of any such bank, which successor shall be acceptable to Viacom (such acceptance not to be unreasonably withheld). Upon the acceptance of any appointment as Administrative Agent hereunder by a successor bank, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. After the Administrative Agent's resignation hereunder, the provisions of this Article and Section 9.5 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Administrative Agent.

With respect to the Loans made by them and their LC Exposure hereunder, the Agents in their individual capacity and not as Agents shall have the same rights and powers as any other Lender and may exercise the same as though they were not Agents, and the Agents and their affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrowers or any of their respective Subsidiaries or any Affiliate thereof as if they were not Agents.

Each Lender and Issuing Lender agrees (i) to reimburse the Administrative Agent in the amount of its pro rata share (based on its Total Facility Percentage or, after the date on which the Loans shall have been paid in full, based on its Total Facility Percentage immediately prior to such date) of any reasonable, out-of-pocket expenses incurred for the benefit of the Lenders or the Issuing Lenders by the Administrative Agent, including reasonable counsel fees and compensation of agents and employees paid for services rendered on behalf of the Lenders or the Issuing Lenders, which shall not have been reimbursed by or on behalf of any Borrower and (ii) to indemnify and hold harmless the Administrative Agent and any of its directors, officers, employees or agents, in the amount of such pro rata share, from and against any and all liabilities, taxes, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against it in its capacity as Administrative Agent in any way relating to or arising out of this Agreement or any action taken or omitted by it under this Agreement, to the extent the same shall not have been reimbursed by or on behalf of Viacom; provided, that no Lender or Issuing Lender shall be liable to the Administrative Agent or any such director, officer, employee or agent for any portion of such liabilities, taxes, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the gross negligence or willful misconduct of the Administrative Agent or any of its directors, officers, employees or agents.

Each Lender and Issuing Lender acknowledges that it has, independently and without reliance upon the Agents or any other Lender or Issuing Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and Issuing Lender also acknowledges that it will, independently and without reliance upon any Agent or any other Lender or Issuing Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any related agreement or any document furnished hereunder or thereunder.

Neither the Documentation Agent, the Co-Syndication Agents, the Lead Arranger nor any managing agent shall have any duties or responsibilities hereunder in its capacity as such.

ARTICLE VIII

GUARANTEES

SECTION 8.1. Viacom Guarantee.

(a) Guarantee. In order to induce the Administrative Agent and the Lenders to become bound by this Agreement and to make the Loans hereunder to the Subsidiary Borrowers, and in consideration thereof, Viacom hereby unconditionally and irrevocably guarantees, as primary obligor and not merely as surety, to the Administrative Agent, for the ratable benefit of the Lenders, the prompt and complete payment and performance by each Subsidiary Borrower when due (whether at stated maturity, by acceleration or otherwise) of the Subsidiary Borrower Obligations, and Viacom further agrees to pay any and all expenses (including, without limitation, all reasonable fees, charges and disbursements of counsel) which may be paid or incurred by the Administrative Agent or by the Lenders in enforcing, or obtaining advice of counsel in respect of, any of their rights under the guarantee contained in this Section 8.1(a). The guarantee contained in this Section 8.1(a), subject to Section 8.1(e), shall remain in full force and effect until the Subsidiary Borrower Obligations are paid in full and the Commitments are terminated, notwithstanding that from time to time prior thereto any Subsidiary Borrower may be free from any Subsidiary Borrower Obligations. Viacom agrees that whenever, at any time, or from time to time, it shall make any payment to the Administrative Agent or any Lender on account of its liability under this Section 8.1, it will notify the Administrative Agent and such Lender in writing that such payment is made under the guarantee contained in this Section 8.1 for such purpose. No payment or payments made by any Subsidiary Borrower or any other Person or received or collected by the Administrative Agent or any Lender from any Subsidiary Borrower or any other Person by virtue of any action or proceeding or any setoff or appropriation or application, at any time or from time to time, in reduction of or in payment of the Subsidiary Borrower Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of Viacom under this Section 8.1 which, notwithstanding any such payment or payments, shall remain liable for the unpaid and outstanding Subsidiary Borrower Obligations until, subject to Section 8.1(e), the Subsidiary Borrower Obligations are paid in full and the Commitments are terminated. Notwithstanding any other provision herein, the maximum liability of Viacom under

this Section 8.1 shall in no event exceed the amount which can be guaranteed by Viacom under applicable law.

(b) No Subrogation, etc. Notwithstanding any payment or payments made by Viacom hereunder, or any set-off or application of funds of Viacom by the Administrative Agent or any Lender, Viacom shall not be entitled to be subrogated to any of the rights of the Administrative Agent or any Lender against any Subsidiary Borrower or against any collateral security or guarantee or right of offset held by the Administrative Agent or any Lender for the payment of the Subsidiary Borrower Obligations, nor shall Viacom seek or be entitled to seek any contribution, reimbursement, exoneration or indemnity from or against any Subsidiary Borrower in respect of payments made by Viacom hereunder, until all amounts owing to the Administrative Agent and the Lenders by the Subsidiary Borrowers on account of the Subsidiary Borrower Obligations are paid in full and the Commitments are terminated. So long as the Subsidiary Borrower Obligations remain outstanding, if any amount shall be paid by or on behalf of any Subsidiary Borrower or any other Person to Viacom on account of any of the rights waived in this Section 8.1, such amount shall be held by Viacom in trust, segregated from other funds of Viacom, and shall, forthwith upon receipt by Viacom, be turned over to the Administrative Agent in the exact form received by Viacom (duly indorsed by Viacom to the Administrative Agent, if required), to be applied against the Subsidiary Borrower Obligations, whether matured or unmatured, in such order as the Administrative Agent may determine.

(c) Amendments, etc. with respect to the Subsidiary Borrower Obligations. Viacom shall remain obligated under this Section 8.1 notwithstanding that, without any reservation of rights against Viacom, and without notice to or further assent by Viacom, any demand for payment of or reduction in the principal amount of any of the Subsidiary Borrower Obligations made by the Administrative Agent or any Lender may be rescinded by the Administrative Agent or such Lender, and any of the Subsidiary Borrower Obligations continued, and the Subsidiary Borrower Obligations, or the liability of any other party upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Administrative Agent or any Lender, and this Agreement and any other documents executed and delivered in connection herewith may be amended, modified, supplemented or terminated, in whole or in part, as the Required Lenders (or all Lenders, as the case may be) may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by the Administrative Agent or any Lender for the payment of the Subsidiary Borrower Obligations may be sold, exchanged, waived, surrendered or released. Neither the Administrative Agent nor any Lender shall have any obligation to protect, secure, perfect or insure any lien at any time held by it as security for the Subsidiary Borrower Obligations or for the guarantee contained in this Section 8.1 or any property subject thereto.

(d) **Guarantee Absolute and Unconditional.** Viacom waives any and all notice of the creation, renewal, extension or accrual of any of the Subsidiary Borrower Obligations and notice of or proof of reliance by the Administrative Agent or any Lender upon the guarantee contained in this Section 8.1 or acceptance of the guarantee contained in this Section 8.1; the Subsidiary Borrower Obligations shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the guarantee contained in this Section 8.1; and all dealings between Viacom or the Subsidiary Borrowers, on the one hand, and the Administrative Agent and the Lenders, on the other, shall likewise be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in this Section 8.1. Viacom waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon Viacom or any Subsidiary Borrower with respect to the Subsidiary Borrower Obligations. The guarantee contained in this Section 8.1 shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity or enforceability of this Agreement, any of the Subsidiary Borrower Obligations or any collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Administrative Agent or any Lender, (b) the legality under applicable requirements of law of repayment by the relevant Subsidiary Borrower of any Subsidiary Borrower Obligations or the adoption of any requirement of law purporting to render any Subsidiary Borrower Obligations null and void, (c) any defense, setoff or counterclaim (other than a defense of payment or performance by the applicable Subsidiary Borrower) which may at any time be available to or be asserted by Viacom against the Administrative Agent or any Lender, or (d) any other circumstance whatsoever (with or without notice to or knowledge of Viacom or any Subsidiary Borrower) which constitutes, or might be construed to constitute, an equitable or legal discharge of any Subsidiary Borrower for any of its Subsidiary Borrower Obligations, or of Viacom under the guarantee contained in this Section 8.1, in bankruptcy or in any other instance. When the Administrative Agent or any Lender is pursuing its rights and remedies under this Section 8.1 against Viacom, the Administrative Agent or any Lender may, but shall be under no obligation to, pursue such rights and remedies as it may have against any Subsidiary Borrower or any other Person or against any collateral security or guarantee for the Subsidiary Borrower Obligations or any right of offset with respect thereto, and any failure by the Administrative Agent or any Lender to pursue such other rights or remedies or to collect any payments from any Subsidiary Borrower or any such other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of any Subsidiary Borrower or any such other Person or of any such collateral security, guarantee or right of offset, shall not relieve Viacom of any liability under this Section 8.1, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Administrative Agent and the Lenders against Viacom.

(e) **Reinstatement.** The guarantee contained in this Section 8.1 shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Subsidiary Borrower Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of any Subsidiary Borrower or upon or as a result of the appointment of a

receiver, intervenor or conservator of, or trustee or similar officer for, any Subsidiary Borrower or any substantial part of its property, or otherwise, all as though such payments had not been made.

(f) Payments. Viacom hereby agrees that any payments in respect of the Subsidiary Borrower Obligations pursuant to this Section 8.1 will be paid to the Administrative Agent without setoff or counterclaim in Dollars at the office of the Administrative Agent specified in Section 9.1. Notwithstanding the foregoing, any payments in respect of the Subsidiary Borrower Obligations pursuant to this Section 8.1 with respect to any Loan denominated in any Foreign Currency (including principal of or interest on any such Loan or other amounts) hereunder shall be made without setoff or counterclaim to the Administrative Agent at its offices at Chase Manhattan International Ltd., 9 Thomas Moore Street, London E1-9YT United Kingdom, in immediately available funds.

SECTION 8.2. Viacom International Guarantee.

(a) Guarantee. In order to induce the Administrative Agent and the Lenders to become bound by this Agreement and to make the Loans hereunder to Viacom, and in consideration thereof, Viacom International hereby unconditionally and irrevocably guarantees, as primary obligor and not merely as surety, to the Administrative Agent, for the ratable benefit of the Lenders, the prompt and complete payment and performance by Viacom when due (whether at stated maturity, by acceleration or otherwise) of the Viacom Obligations, and Viacom International further agrees to pay any and all expenses (including, without limitation, all reasonable fees, charges and disbursements of counsel) which may be paid or incurred by the Administrative Agent or by the Lenders in enforcing, or obtaining advice of counsel in respect of, any of their rights under the guarantee contained in this Section 8.2(a). The guarantee contained in this Section 8.2(a), subject to Section 8.2(e), shall remain in full force and effect until the Viacom Obligations are paid in full and the Commitments are terminated, notwithstanding that from time to time prior thereto Viacom may be free from any Viacom Obligations. Viacom International agrees that whenever, at any time, or from time to time, it shall make any payment to the Administrative Agent or any Lender on account of its liability under this Section 8.2, it will notify the Administrative Agent and such Lender in writing that such payment is made under the guarantee contained in this Section 8.2 for such purpose. No payment or payments made by Viacom or any other Person or received or collected by the Administrative Agent or any Lender from Viacom or any other Person by virtue of any action or proceeding or any setoff or appropriation or application, at any time or from time to time, in reduction of or in payment of the Viacom Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of Viacom International under this Section 8.2 which, notwithstanding any such payment or payments, shall remain liable for the unpaid and outstanding Viacom Obligations until, subject to Section 8.2(e), the Viacom Obligations are paid in full and the Commitments are terminated. Notwithstanding any other provision herein, the maximum liability of Viacom International under this Section 8.2 shall in no event exceed the amount which can be guaranteed by Viacom International under applicable law.

(b) No Subrogation, etc. Notwithstanding any payment or payments made by Viacom International hereunder, or any set-off or application of funds of Viacom International by the Administrative Agent or any Lender, Viacom International shall not be entitled to be subrogated to any of the rights of the Administrative Agent or any Lender against Viacom or against any collateral security or guarantee or right of offset held by the Administrative Agent or any Lender for the payment of the Viacom Obligations, nor shall Viacom International seek or be entitled to seek any contribution, reimbursement, exoneration or indemnity from or against Viacom in respect of payments made by Viacom International hereunder, until all amounts owing to the Administrative Agent and the Lenders by Viacom on account of the Viacom Obligations are paid in full and the Commitments are terminated. So long as the Viacom Obligations remain outstanding, if any amount shall be paid by or on behalf of Viacom or any other Person to Viacom International on account of any of the rights waived in this Section 8.2, such amount shall be held by Viacom International in trust, segregated from other funds of Viacom International, and shall, forthwith upon receipt by Viacom International, be turned over to the Administrative Agent in the exact form received by Viacom International (duly indorsed by Viacom International to the Administrative Agent, if required), to be applied against the Viacom Obligations, whether matured or unmatured, in such order as the Administrative Agent may determine.

(c) Amendments, etc. with respect to the Viacom Obligations. Viacom International shall remain obligated under this Section 8.2 notwithstanding that, without any reservation of rights against Viacom International, and without notice to or further assent by Viacom International, any demand for payment of or reduction in the principal amount of any of the Viacom Obligations made by the Administrative Agent or any Lender may be rescinded by the Administrative Agent or such Lender, and any of the Viacom Obligations continued, and the Viacom Obligations, or the liability of any other party upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Administrative Agent or any Lender, and this Agreement and any other documents executed and delivered in connection herewith may be amended, modified, supplemented or terminated, in whole or in part, as the Required Lenders (or all Lenders, as the case may be) may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by the Administrative Agent or any Lender for the payment of the Viacom Obligations may be sold, exchanged, waived, surrendered or released. Neither the Administrative Agent nor any Lender shall have any obligation to protect, secure, perfect or insure any lien at any time held by it as security for the Viacom Obligations or for the guarantee contained in this Section 8.2 or any property subject thereto.

(d) Guarantee Absolute and Unconditional. Viacom International waives any and all notice of the creation, renewal, extension or accrual of any of the Viacom Obligations and notice of or proof of reliance by the Administrative Agent or any Lender upon the guarantee contained in this Section 8.2 or

acceptance of the guarantee contained in this Section 8.2; the Viacom Obligations shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the guarantee contained in this Section 8.2; and all dealings between Viacom International or Viacom, on the one hand, and the Administrative Agent and the Lenders, on the other, shall likewise be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in this Section 8.2. Viacom International waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon Viacom International or Viacom with respect to the Viacom Obligations. The guarantee contained in this Section 8.2 shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity or enforceability of this Agreement, any of the Viacom Obligations or any collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Administrative Agent or any Lender, (b) the legality under applicable requirements of law of repayment by Viacom of any Viacom Obligations or the adoption of any requirement of law purporting to render any Viacom Obligations null and void, (c) any defense, setoff or counterclaim (other than a defense of payment or performance by Viacom) which may at any time be available to or be asserted by Viacom International against the Administrative Agent or any Lender, or (d) any other circumstance whatsoever (with or without notice to or knowledge of Viacom International or Viacom) which constitutes, or might be construed to constitute, an equitable or legal discharge of Viacom for any of its Viacom Obligations, or of Viacom International under the guarantee contained in this Section 8.2, in bankruptcy or in any other instance. When the Administrative Agent or any Lender is pursuing its rights and remedies under this Section 8.2 against Viacom International, the Administrative Agent or any Lender may, but shall be under no obligation to, pursue such rights and remedies as it may have against Viacom or any other Person or against any collateral security or guarantee for the Viacom Obligations or any right of offset with respect thereto, and any failure by the Administrative Agent or any Lender to pursue such other rights or remedies or to collect any payments from Viacom or any such other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of Viacom or any such other Person or of any such collateral security, guarantee or right of offset, shall not relieve Viacom International of any liability under this Section 8.2, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Administrative Agent and the Lenders against Viacom International.

(e) Reinstatement. The guarantee contained in this Section 8.2 shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Viacom Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Viacom or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, Viacom or any substantial part of its property, or otherwise, all as though such payments had not been made.

(f) Payments. Viacom International hereby agrees that any payments in respect of the Viacom Obligations pursuant to this Section 8.2 will be paid to the Administrative Agent without setoff

or counterclaim in Dollars at the office of the Administrative Agent specified in Section 9.1. Notwithstanding the foregoing, any payments in respect of the Viacom Obligations pursuant to this Section 8.2 with respect to any Loan denominated in any Foreign Currency (including principal of or interest on any such Loan or other amounts) hereunder shall be made without setoff or counterclaim to the Administrative Agent at its offices at Chase Manhattan International Ltd., 9 Thomas Moore Street, London E1-9YT United Kingdom, in immediately available funds.

(g) Release of Guarantee. Notwithstanding the foregoing, the guarantee contained in this Section 8.2 shall be released on the earlier of the date on which (i) all notes, debentures and bonds now or hereafter issued by Viacom which carry a Viacom International guarantee (the "Bonds") are paid in full and (ii) the guarantee of Viacom International with respect to the Bonds is released. On such date, this Section 8.2, including without limitation Section 8.2(e), shall be deemed to have no legal effect whatsoever.

ARTICLE IX

MISCELLANEOUS

SECTION 9.1. Notices.

Notices and other communications provided for herein shall be in writing (or, where permitted to be made by telephone, shall be confirmed promptly in writing) and shall be delivered by hand or overnight courier service, mailed or sent by telecopier as follows:

(a) if to Viacom, to it at Viacom Inc., 1515 Broadway, New York, New York 10036, Attention of Vice President and Treasurer (Telecopy No. (212) 860-2341), with a copy to General Counsel (Telecopy No. (212) 975-9856);

(b) if to Viacom International, to it c/o Viacom Inc., 1515 Broadway, New York, New York 10036, Attention of Vice President and Treasurer (Telecopy No. (212) 860-2341), with a copy to General Counsel (Telecopy No. (212) 975-9856);

(c) if to the Administrative Agent, to it at The Chase Manhattan Bank, 270 Park Avenue, New York, New York 10017, Attention: William Rottino (Telecopy No. 212-270-1204), with a copy to The Chase Manhattan Bank, One Chase Manhattan Plaza, New York, New York, 10080, Attention: Camille Wilson (Telecopy No. 212-552-5700);

(d) if to any Issuing Lender, to it at the address for notices specified in the applicable Issuing Lender Agreement;

(e) if to a Lender, to it at its address (or telecopy number) set forth in Schedule 1.1 or in the Assignment and Acceptance pursuant to which such Lender shall have become a party hereto; and

(f) if to a Subsidiary Borrower, to it at its address set forth in the relevant Subsidiary Borrower Request.

Notwithstanding the foregoing, each of Viacom, any other Borrower, the Administrative Agent and the Issuing Lender may, in its discretion, provide any notice, report or other information to be provided under this Agreement to a Lender by (i) electronic mail to the electronic mail address provided by such Lender in its Administrative Questionnaire and/or (ii) through access to a web site. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on (A) the date of receipt if delivered by hand or overnight courier service or sent by telecopy or electronic mail, (B) the date of posting if given by web site access, (C) the date of such telephone call, if permitted by the terms hereof and if promptly confirmed in writing, or (D) on the date five Business Days after dispatch by registered mail if mailed, in each case delivered, sent or mailed (properly addressed) to such party as provided in this Section 9.1 or in accordance with the latest unrevoked direction from such party given in accordance with this Section 9.1.

SECTION 9.2. Survival of Agreement.

All representations and warranties made hereunder and in any certificate delivered pursuant hereto or in connection herewith shall be considered to have been relied upon by the Agents and the Lenders and shall survive the execution and delivery of this Agreement and the making of the Loans and other extensions of credit hereunder, regardless of any investigation made by the Agents or the Lenders or on their behalf.

SECTION 9.3. Binding Effect.

This Agreement shall be binding upon and inure to the benefit of each Borrower, each Agent and each Lender and their respective successors and assigns, except that Viacom shall not have the right to assign its rights or obligations hereunder or any interest herein without the prior consent of all the Lenders.

SECTION 9.4. Successors and Assigns.

(a) Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party, and all covenants, promises and agreements by or on behalf of each Borrower, any Agent or any Lender that are contained in this Agreement shall bind and inure to the benefit of their respective successors and assigns.

(b) Each Lender may assign to one or more assignees all or a portion of its interests, rights and obligations under this Agreement (including all or a portion of its Commitment or Swingline Commitment and the Loans at the time owing to it); provided, however, that (i) except in the case of an assignment to a Lender or a Lender Affiliate (other than if at the time of such assignment, such Lender or Lender Affiliate would be entitled to require any Borrower to pay greater amounts under Section 2.20(a) than if no such assignment had occurred, in which case such assignment shall be subject to the consent requirement of this clause (i)), Viacom and the Administrative Agent must give their prior written consent to such assignment (which consent shall not be unreasonably withheld or delayed), (ii) (x) except in the

case of assignments to any Person that is a Lender prior to giving effect to such assignment, the amount of the aggregate Commitments and/or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$10,000,000 and (y) the amount of the aggregate Commitments and/or Loans retained by any assigning Lender (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$10,000,000, unless (in the case of clause (x) or (y) above) the assigning Lender's Commitment and Loans (other than any Competitive Loans) are being reduced to \$0 pursuant to such assignment, (iii) the assignor and assignee shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of \$3,500 and (iv) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire. Upon acceptance and recording pursuant to Section 9.4(e), from and after the effective date specified in each Assignment and Acceptance, which effective date shall be at least five Business Days after the execution thereof (or any lesser period to which the Administrative Agent and Viacom may agree), (A) the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement and (B) the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto (but shall continue to be entitled to the benefits of Sections 2.15, 2.16, 2.20 and 9.5, as well as to any Fees accrued for its account hereunder and not yet paid)). Notwithstanding the foregoing, any Lender or Issuing Lender assigning its rights and obligations under this Agreement may maintain any Competitive Loans or Letters of Credit made or issued by it outstanding at such time, and in such case shall retain its rights hereunder in respect of any Loans or Letters of Credit so maintained until such Loans or Letters of Credit have been repaid or terminated in accordance with this Agreement.

(c) By executing and delivering an Assignment and Acceptance, the assigning Lender thereunder and the assignee thereunder shall be deemed to confirm to and agree with each other and the other parties hereto as follows: (i) such assigning Lender warrants that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim created by such assigning Lender, (ii) except as set forth in clause (i) above, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or any other instrument or document furnished pursuant hereto, or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto or the financial condition of Viacom or any of its Subsidiaries or the performance or observance by Viacom or any of its Subsidiaries of any of its obligations under this Agreement or any other instrument or document furnished pursuant hereto; (iii) such assignee represents and warrants that it is legally authorized to enter into such Assignment and Acceptance; (iv) such assignee confirms that it has received a copy of this Agreement, together with copies of the most recent financial statements delivered pursuant to Sections 3.2 and 5.1 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (v) such assignee will independently and without reliance upon the Administrative Agent, such assigning

Lender or any other Agent or Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (vi) such assignee appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent by the terms hereof, together with such powers as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms all the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

(d) The Administrative Agent, acting for this purpose as agent of each Borrower, shall maintain at one of its offices in The City of New York a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive in the absence of manifest error and each Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by any Borrower and any Lender at any reasonable time and from time to time upon reasonable prior notice.

(e) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, an Administrative Questionnaire completed in respect of the assignee (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) above and, if required, the written consent of Viacom and the Administrative Agent to such assignment, the Administrative Agent shall (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to Viacom.

(f) Each Lender may without the consent of any Borrower or the Agents sell participations to one or more banks, other financial institutions or other entities (provided, that any such other entity is not a competitor of Viacom or any Affiliate of Viacom) all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans owing to it); provided, however, that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) the participating banks or other entities shall be entitled to the benefit of the cost protection provisions contained in Sections 2.15, 2.16 and 2.20 to the same extent as if they were Lenders (provided, that additional amounts payable to any Lender pursuant to Section 2.20 shall be determined as if such Lender had not sold any such participations) and (iv) the Borrowers, the Agents and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement, and such Lender shall retain the sole right to enforce the obligations of each Borrower relating to the Loans and the Letters of Credit and to approve any amendment, modification or waiver of any provision of this Agreement (other than amendments, modifications or waivers decreasing any fees payable hereunder or the amount of principal of or the rate at which interest is payable on the Loans or LC Disbursements, extending any scheduled principal payment date or date fixed for the payment of interest on the Loans or LC Disbursements or of LC Fees or Facility Fees, increasing the amount of or extending the

Commitments or releasing the guarantee contained in Section 8.1 or 8.2 (except in accordance with Section 8.2(g)), in each case to the extent the relevant participant is directly affected thereby).

(g) Any Lender or participant may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 9.4, disclose to the assignee or participant or proposed assignee or participant any information relating to any Borrower furnished to such Lender by or on behalf of such Borrower; provided, that, prior to any such disclosure of information designated by such Borrower as confidential, each such assignee or participant or proposed assignee or participant shall execute a Confidentiality Agreement whereby such assignee or participant shall agree (subject to the exceptions set forth therein) to preserve the confidentiality of such confidential information. A copy of each such Confidentiality Agreement executed by an assignee shall be promptly furnished to Viacom. It is understood that confidential information relating to the Borrowers would not ordinarily be provided in connection with assignments or participations of Competitive Loans.

(h) Notwithstanding the limitations set forth in paragraph (b) above, (i) any Lender may at any time assign or pledge all or any portion of its rights under this Agreement to a Federal Reserve Bank and (ii) any Lender which is a "fund" may at any time assign or pledge all or any portion of its rights under this Agreement to secure such Lender's indebtedness, in each case without the prior written consent of any Borrower or the Administrative Agent; provided, that each such assignment shall be made in accordance with applicable law and no such assignment shall release a Lender from any of its obligations hereunder. In order to facilitate any such assignment, each Borrower shall, at the request of the assigning Lender, duly execute and deliver to the assigning Lender a registered promissory note or notes evidencing the Loans made to such Borrower by the assigning Lender hereunder.

(i) Notwithstanding anything to the contrary contained herein, any Bank (a "Granting Bank") may grant to a special purpose funding vehicle (a "SPC"), identified as such in writing from time to time by the Granting Bank to the Administrative Agent and the relevant Borrower, the option to provide to such Borrower all or any part of any Loan that such Granting Bank would otherwise be obligated to make to such Borrower pursuant to this Agreement; provided, that (i) nothing herein shall constitute a commitment by any SPC to make any Loan, and (ii) if an SPC elects not to exercise such option or otherwise fails to provide all or any part of such Loan, the Granting Bank shall be obligated to make such Loan pursuant to the terms hereof. The making of a Loan by an SPC hereunder shall utilize the Commitment of the Granting Bank to the same extent, and as if, such Loan were made by such Granting Bank. Each party hereto hereby agrees that no SPC shall be liable for any indemnity or similar payment obligation under this Agreement (all liability for which shall remain with the Granting Bank). In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior indebtedness of any SPC, it will not institute against, or join any other person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under the laws of the United States or any State thereof. In addition, notwithstanding anything to the contrary contained in this Section, any SPC may (i) with notice to, but without the prior written consent of, the relevant Borrower and the Administrative Agent and without paying any processing fee therefor, assign all or a

portion of its interests in any Loans to the Granting Bank or to any financial institutions (consented to by such Borrower and the Administrative Agent) providing liquidity and/or credit support to or for the account of such SPC to support the funding or maintenance of Loans and (ii) disclose on a confidential basis any non-public information relating to its Loans to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancement to such SPC. This section may not be amended without the written consent of any SPC which has been identified as such by the Granting Bank to the Administrative Agent and the relevant Borrower and which then holds any Loan pursuant to this paragraph (i).

(j) Neither Viacom nor any Subsidiary Borrower shall assign or delegate any of its rights or duties hereunder without the prior consent of all the Lenders; provided, Viacom may assign or delegate any of its rights or duties hereunder (excepting its rights and duties pursuant to Section 8.1) to any Subsidiary Borrower and any Subsidiary Borrower may assign or delegate any of its rights or duties hereunder to Viacom or (excepting Viacom International's rights and duties pursuant to 8.2) to any other Subsidiary Borrower, in each case without the prior consent of the Lenders unless such assignment would adversely affect the Lenders; provided, further, Viacom may and any Subsidiary Borrower may assign or delegate any of its rights and duties hereunder pursuant to a merger or consolidation permitted by Section 5.4(b) or (d) without the prior consent of the Lenders.

SECTION 9.5. Expenses; Indemnity.

(a) Viacom agrees to pay all reasonable legal and other out-of-pocket expenses incurred by JP Morgan, a division of Chase Securities Inc., in its capacity as a Lead Arranger, and by the Administrative Agent and their respective affiliates in connection with the preparation, negotiation, execution and delivery of this Agreement or in connection with any amendments, modifications or waivers of the provisions hereof (whether or not the transactions hereby contemplated shall be consummated) or incurred by any Agent, any Lender or any Issuing Lender in connection with the enforcement or protection of the rights of the Agents, the Lenders or the Issuing Lenders under this Agreement or in connection with the Loans made or the Letters of Credit issued hereunder, including, without limitation, the reasonable fees, charges and disbursements of Simpson Thacher & Bartlett (as set forth in the Letter Agreement, dated as of February 2, 2001, between Simpson Thacher & Bartlett and Viacom), counsel for JP Morgan, a division of Chase Securities Inc., in its capacity as a Lead Arranger, and the Administrative Agent, and, in connection with any such enforcement or protection, the reasonable fees, charges and disbursements of any other counsel for any Agent, Lender or Issuing Lender.

(b) Viacom agrees to indemnify and hold harmless each Agent, each Lender, each Issuing Lender and each of their respective directors, officers, employees, affiliates and agents (each, an "Indemnified Person") against, and to reimburse each Indemnified Person, upon its demand, for, any losses, claims, damages, liabilities or other expenses ("Losses"), to which such Indemnified Person becomes subject insofar as such Losses arise out of or in any way relate to or result from (i) the execution or delivery of this Agreement, any Letter of Credit or any agreement or instrument contemplated hereby (and any amendment hereto or thereto), the performance by the parties hereto or thereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby or (ii) the

use (or proposed use) of the proceeds of the Loans or other extensions of credit hereunder, including, without limitation, Losses consisting of reasonable legal, settlement or other expenses incurred in connection with investigating, defending or participating in any legal proceeding relating to any of the foregoing (whether or not such Indemnified Person is a party thereto); provided, that the foregoing will not apply to any Losses to the extent they are found by a final decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Indemnified Person. No Indemnified Person shall be liable for any damages arising from the use by others of Information or other materials obtained through electronic, telecommunications or other information transmission systems (provided, that the foregoing will not apply to any Losses to the extent they are found by a final decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Indemnified Person).

(c) The provisions of this Section 9.5 shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the transactions contemplated hereby, the repayment of any of the Loans, the invalidity or unenforceability of any term or provision of this Agreement or any investigation made by or on behalf of any Agent or Lender. All amounts under this Section 9.5 shall be payable on written demand therefor.

SECTION 9.6. Right of Setoff.

If an Event of Default shall have occurred and be continuing, each Agent and each Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Agent or Lender to or for the credit or the account of any Borrower against any of and all the obligations of such Borrower now or hereafter existing under this Agreement or the Administrative Agent Fee Letter held by such Agent or Lender which shall be due and payable. The rights of each Agent and each Lender under this Section 9.6 are in addition to other rights and remedies (including other rights of setoff) which such Agent or Lender may have.

SECTION 9.7. APPLICABLE LAW.

THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

SECTION 9.8. Waivers; Amendment.

(a) No failure or delay of any Agent, any Issuing Lender or any Lender in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Agents, the Issuing Lenders and the Lenders hereunder are cumulative and are not exclusive of any rights or remedies which they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any Borrower from any such provision shall in any event be effective unless the

same shall be permitted by paragraph (b) below, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on any Borrower in any case shall entitle any Borrower to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement in writing entered into by the Borrowers and the Required Lenders; provided, however, that no such agreement shall (i) reduce the amount or extend the scheduled date of maturity of any Loan or of any installment thereof, or reduce the stated amount of any LC Disbursement, interest or fee payable hereunder or extend the scheduled date of any payment thereof or increase the amount or extend the expiration date of any Commitment of any Lender, in each case without the prior written consent of each Lender directly affected thereby; (ii) amend, modify or waive any provision of this Section 9.8(b), or reduce the percentage specified in the definition of "Required Lenders", release the guarantee contained in Section 8.1 or 8.2 (except in accordance with Section 8.2(g)) or consent to the assignment or delegation by Viacom or any Subsidiary Borrower of any of its rights and obligations under this Agreement (except (A) by Viacom (excepting its rights and duties pursuant to Section 8.1) to any Subsidiary Borrower or (B) by any Subsidiary Borrower to Viacom or (excepting Viacom International's rights and duties pursuant to Section 8.2) to any other Subsidiary Borrower and as set forth in Section 9.4(j)), in each case without the prior written consent of all the Lenders; or (iii) amend, modify or waive any provision of Article VII without the prior written consent of each Agent affected thereby; provided, further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent, the Swingline Lenders or the Issuing Lenders hereunder in such capacity without the prior written consent of the Administrative Agent, each Swingline Lender directly affected thereby or each Issuing Lender directly affected thereby, as the case may be.

SECTION 9.9. Entire Agreement.

This Agreement (together with the Issuing Lender Agreements, the Subsidiary Borrower Designations and the Subsidiary Borrower Requests) constitutes the entire contract between the parties relative to the subject matter hereof. Any previous agreement among the parties with respect to the subject matter hereof is superseded by this Agreement. Nothing in this Agreement, expressed or implied, is intended to confer upon any party other than the parties hereto any rights, remedies, obligations or liabilities under or by reason of this Agreement.

SECTION 9.10. Waiver of Jury Trial.

Each party hereto hereby waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any litigation directly or indirectly arising out of, under or in connection with this Agreement. Each party hereto (a) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it and the other parties hereto have been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this Section 9.10.

SECTION 9.11. Severability.

In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 9.12. Counterparts.

This Agreement may be executed in two or more counterparts, each of which constitute an original but all of which when taken together shall constitute but one contract, and shall become effective as provided in Section 9.3.

SECTION 9.13. Headings.

Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 9.14. Jurisdiction; Consent to Service of Process.

(a) Each Borrower hereby irrevocably and unconditionally submits, for itself and its Property, to the nonexclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State court or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each Subsidiary Borrower designates and directs Viacom at its offices at 1515 Broadway, New York, New York 10036, as its agent to receive service of any and all process and documents on its behalf in any legal action or proceeding referred to in this Section 9.14 in the State of New York and agrees that service upon such agent shall constitute valid and effective service upon such Subsidiary Borrower and that failure of Viacom to give any notice of such service to any Subsidiary Borrower shall not affect or impair in any way the validity of such service or of any judgment rendered in any action or proceeding based thereon. Nothing in this Agreement shall affect any right that any Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against any Borrower or its Properties in the courts of any jurisdiction.

(b) Each Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any New York State or Federal court. Each of the parties hereto hereby irrevocably waives, to

the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.1. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.15. Confidentiality.

(a) Each Lender agrees to keep confidential and not to disclose (and to cause its affiliates, officers, directors, employees, agents and representatives to keep confidential and not to disclose) and, at the request of Viacom (except as provided below or if such Lender is required to retain any Confidential Information (as defined below) pursuant to customary internal or banking practices, bank regulations or applicable law), promptly to return to Viacom or destroy the Confidential Information and all copies thereof, extracts therefrom and analyses or other materials based thereon, except that such Lender shall be permitted to disclose Confidential Information (i) to such of its officers, directors, employees, agents, affiliates and representatives as need to know such Confidential Information in connection with such Lender's participation in this Agreement, each of whom shall be informed by such Lender of the confidential nature of the Confidential Information and shall agree to be bound by the terms of this Section 9.15; (ii) to the extent required by applicable laws and regulations or by any subpoena or similar legal process or requested by any Governmental Authority or agency having jurisdiction over such Lender; provided, however, that, except in the case of disclosure to bank regulators or examiners in accordance with customary banking practices, if legally permitted written notice of each instance in which Confidential Information is required or requested to be disclosed shall be furnished to Viacom not less than 30 days prior to the expected date of such disclosure or, if 30 days' notice is not practicable under the circumstances, as promptly as practicable under the circumstances; (iii) to the extent such Confidential Information (A) is or becomes publicly available other than as a result of a breach of this Agreement, (B) becomes available to such Lender on a non-confidential basis from a source other than a party to this Agreement or any other party known to such Lender to be bound by an agreement containing a provision similar to this Section 9.15 or (C) was available to such Lender on a non-confidential basis prior to this disclosure to such Lender by a party to this Agreement or any other party known to such Lender to be bound by an agreement containing a provision similar to this Section 9.15; (iv) as permitted by Section 9.4(g); or (v) to the extent Viacom shall have consented to such disclosure in writing. As used in this Section 9.15, "Confidential Information" shall mean any materials, documents or information furnished by or on behalf of any Borrower in connection with this Agreement designated by or on behalf of such Borrower as confidential.

(b) Each Lender (i) agrees that, except to the extent the conditions referred to in subclause (A), (B) or (C) of clause (iii) of paragraph (a) above have been met and as provided in paragraph (c) below, (A) it will use the Confidential Information only in connection with its participation in this Agreement and (B) it will not use the Confidential Information in connection with any other matter or in a manner prohibited by any law, including, without limitation, the securities laws of the United States and (ii) understands that breach of this Section 9.15 might seriously prejudice the interest of the Borrowers and that the Borrowers are entitled to equitable relief, including an injunction, in the event of such breach.

(c) Notwithstanding anything to the contrary contained in this Section 9.15, each Agent and each Lender shall be entitled to retain all Confidential Information for so long as it remains an Agent or a Lender to use solely for the purposes of servicing the credit and protecting its rights hereunder.

SECTION 9.16. Waiver of Notice of Termination Period.

By its execution of this Agreement, each Lender hereby waives any right to notice of termination, or any notice period with respect to the termination, of any Existing Credit Agreement that such Lender may have had under such Existing Credit Agreement.

[Remainder of the page left blank intentionally; Signature page to follow.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

VIACOM INC.

By: /s/ Robert G. Freedline

Name: Robert G.Freedline

Title: Vice President and Treasurer

VIACOM INTERNATIONAL INC.

By: /s/ Robert G. Freedline

Name: Robert G.Freedline

Title: Vice President and Treasurer

THE CHASE MANHATTAN BANK, as
Administrative Agent and as a Lender

By: /s/ Thomas H. Kozlark

Name: Thomas H. Kozlark

Title: Vice President

FLEET NATIONAL BANK, as Co-Syndication
Agents and as a Lender

By: /s/ Laura Neenan

Name: Laura Neenan

Title: Assistant Vice President

BANK OF AMERICA, N.A., as Co-Syndication
Agents and as a Lender

By: /s/ Thomas J. Kane

Name: Thomas J. Kane

Title: Vice President

BANK OF NEW YORK, as Documentation Agent
and as a Lender,

By: /s/ John R. Ciulla

Name: John R. Ciulla

Title: Vice President

BARCLAYS BANK PLC, as a Lender,

By: /s/ Daniele Iacovone

Name: Daniele Iacovone
Title: Director

CITIBANK, N.A., as a Lender,

By: /s/ Elizabeth H. Minnella

Name: Elizabeth H. Minnella
Title: Vice President

DEUTSCHE BANK A.G., NEW YORK BRANCH
and/or CAYMAN ISLANDS BRANCH, as a Lender,

By: /s/ William W. McGinty

Name: William W. McGinty
Title: Director

By: /s/ Irene Egues

Name: Irene Egues
Title: Vice President

THE INDUSTRIAL BANK OF JAPAN, LIMITED,
NEW YORK BRANCH, as a Lender,

By: /s/ William Kennedy

Name: William Kennedy
Title: Senior Vice President

MELLON BANK, N.A., as a Lender,

By: /s/ Raghunatha Reddy

Name: Raghunatha Reddy
Title: Lending Officer

WESTDEUTSCHE LANDESBANK
GIROZENTRALE, NEW YORK BRANCH, as a Lender,

By: /s/ Lucie L. Guernsey

Name: Lucie L. Guernsey
Title: Director

By: /s/ Pascal Kabemba

Name: Pascal Kabemba
Title: Associate Director

MERRILL LYNCH CAPITAL CORPORATION,
as a Lender,

By: /s/ Paul Fox

Name: Paul Fox
Title: Vice President

LEHMAN COMMERCIAL PAPER INC., as a Lender,

By: /s/ G. Andrew Keith

Name: G. Andrew Keith
Title: Authorized Signatory

THE SANWA BANK, LIMITED, NEW YORK BRANCH,
as a Lender,

By: /s/ Jean-Michel Fatovic

Name: Jean-Michel Fatovic
Title: Vice President

THE SUMITOMO BANK, LIMITED, as a Lender,

By: /s/ C. Michael Garrido

Name: C. Michael Garrido
Title: Senior Vice President

MERRILL LYNCH BANK USA, as a Lender,

By: /s/ Raymond J. Dardano

Name: Raymond J. Dardano
Title: Senior Credit Officer

BANK ONE, NA, as a Lender,

By: /s/ Curtis R. Worthington

Name: Curtis R. Worthington
Title: Corporate Banking Officer

CREDIT SUISSE FIRST BOSTON, as a Lender,

By: /s/ Kristin Lepri

Name: Kristin Lepri
Title: Associate

By: /s/ Bill O'Daly

Name: Bill O'Daly
Title: Vice President

THE NORINCHUKIN BANK, NEW YORK BRANCH,
as a Lender,

By: /s/ Yoshiro Niino

Name: Yoshiro Niino
Title: General Manager

WACHOVIA BANK, N.A., as a Lender,

By: /s/ J. Timothy Toler

Name: J. Timothy Toler
Title: Senior Vice President

\$1,500,000,000

FIVE-YEAR CREDIT AGREEMENT

among

VIACOM INC.,

VIACOM INTERNATIONAL INC.,

THE SUBSIDIARY BORROWERS PARTIES HERETO,

THE LENDERS NAMED HEREIN,

THE CHASE MANHATTAN BANK,
as Administrative Agent,

SALOMON SMITH BARNEY INC.,
as Syndication Agent

and

BANK OF AMERICA, N.A. and FLEET NATIONAL BANK,
as Co-Documentation Agents

Dated as of March 7, 2001

JP MORGAN, A DIVISION OF CHASE SECURITIES INC.

and

SALOMON SMITH BARNEY INC.,
as Joint Lead Arrangers

JP MORGAN, A DIVISION OF CHASE SECURITIES INC.,
as Sole Bookrunner

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SCHEDULES

Schedule 1.1	Commitments; Addresses for Notices
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Schedule 5.6	Subsidiary Indebtedness

FIVE-YEAR CREDIT AGREEMENT entered into as of March 7, 2001, among VIACOM INC., a Delaware corporation ("Viacom"), each Subsidiary Borrower (as herein defined); VIACOM INTERNATIONAL INC., a Delaware corporation ("Viacom International"); the lenders whose names appear on Schedule 1.1 hereto or who subsequently become parties hereto as provided herein (the "Lenders"); THE CHASE MANHATTAN BANK, a New York banking corporation ("Chase"), as administrative agent for the Lenders; SALOMON SMITH BARNEY INC., a New York corporation, as syndication agent for the Lenders (in such capacity, the "Syndication Agent"); and FLEET NATIONAL BANK, a national banking corporation, and BANK OF AMERICA, N.A., a national banking corporation, as co-documentation agents for the Lenders (in such capacity, the "Co-Documentation Agents").

W I T N E S S E T H :

WHEREAS, Viacom has requested that the Lenders provide extensions of credit to it and to certain Subsidiary Borrowers to be used for general corporate purposes (including, without limitation, acquisitions and commercial paper backup), which extensions of credit shall enable the Borrowers (as herein defined) to borrow loans in an aggregate amount not to exceed \$1.50 billion (except as increased or reduced pursuant to Section 2.13) on a revolving credit basis on and after the Closing Date (as herein defined) and prior to the Revolving Credit Maturity Date (as herein defined); and

WHEREAS, Viacom has requested that the Lenders provide a multi-currency borrowing option in an aggregate principal amount not to exceed \$1.00 billion (except as increased or reduced pursuant to Section 2.13), which (A) the Lenders (excluding the US-Canadian Lenders (as defined herein)) will make available to the Borrowers (excluding the Canadian Borrowers (as defined herein)) with sublimits as follows: (i) Euros (as defined herein), \$500 million, (ii) Sterling (as defined herein), \$500 million and (iii) Yen (as defined herein), \$300 million, and (B) the US-Canadian Lenders will make available up to the Canadian Dollar equivalent of \$300 million as a separate tranche to the Canadian Borrowers in Canadian Dollars and to any Borrower (excepting the Canadian Borrowers) in Dollars.

WHEREAS, the Lenders are willing to extend credit to the Borrowers on the terms and subject to the conditions herein set forth;

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. Defined Terms. As used in this Agreement, the following terms shall have the meanings specified below:

"ABR Loan" shall mean (a) any Revolving Credit Loan bearing interest at a rate determined by reference to the Alternate Base Rate in accordance with the provisions of Article II and (b) any ABR Swingline Loan.

"ABR Revolving Loan" shall mean any Revolving Credit Loan, which is an ABR Loan.

"ABR Swingline Exposures" shall mean at any time the aggregate principal amount at such time of the outstanding ABR Swingline Loans. The ABR Swingline Exposure of any Lender at any time shall mean its Revolving Credit Percentage of the aggregate ABR Swingline Exposures at such time.

"ABR Swingline Loan" shall have the meaning assigned to such term in Section 2.6(a).

"ABR US\$-Canadian Loans" shall mean any US\$-Canadian Loan bearing interest at the Alternate Base Rate.

"Absolute Rate Loan" shall mean any Competitive Loan bearing interest at a fixed percentage rate per annum (expressed in the form of a decimal rounded to no more than four decimal places) specified by the Lender making such Loan in its Competitive Bid.

"Administrative Agent" shall mean Chase, together with its affiliates, as an arranger of the Commitments and as the administrative agent for the Lenders and the US-Canadian Lenders (with respect to US\$-Canadian Loans) under this Agreement, and any successor thereto pursuant to Article VII.

"Administrative Agent Fee Letter" shall mean the Fee Letter with respect to this Agreement between Viacom and the Administrative Agent, as amended, supplemented or otherwise modified from time to time.

"Administrative Agent's Fees" shall have the meaning assigned to such term in Section 2.9(c).

"Administrative Questionnaire" shall mean an Administrative Questionnaire in the form of Exhibit A hereto.

"Affiliate" shall mean, as to Viacom, any Person, which directly or indirectly controls, is under common control with or is controlled by Viacom. As used in this definition, "control" (including, with correlative meanings, "controlled by" and "under common control with") shall mean possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise); provided that, in any event, any Person which owns directly or indirectly 10% or more of the securities having ordinary voting power for the election of directors or other governing body of a corporation or 10% or more of the partnership or other ownership interests of any other Person (other than as a limited partner of such other Person) will be deemed to control such corporation or other Person. Notwithstanding the foregoing, (a) no individual shall be deemed to be an Affiliate of Viacom solely by reason of his

or her being an officer, director or employee of Viacom or any of its Subsidiaries and (b) Viacom International and Viacom and their Subsidiaries shall not be deemed to be Affiliates of each other, unless expressly stated to the contrary.

"Agents" shall mean the collective reference to the Administrative Agent, the Co-Documentation Agents, the Joint Lead Arrangers, the Sole Bookrunner, and the Syndication Agent.

"Aggregate LC Exposure" shall mean, at any time, the sum of (a) the aggregate undrawn amount of all Letters of Credit outstanding at such time and (b) the aggregate amount which has been drawn under Letters of Credit but for which the applicable Issuing Lender or the Lenders, as the case may be, have not been reimbursed by Viacom or the relevant Subsidiary Borrower at such time.

"Agreement" shall mean this Five-Year Credit Agreement, as amended, supplemented or otherwise modified from time to time.

"Alternate Base Rate" shall mean, for any day, a rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the greater of (a) the Prime Rate in effect on such day and (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. For purposes hereof, "Prime Rate" shall mean the rate of interest per annum publicly announced from time to time by the Lender serving as the Administrative Agent as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective on the date such change is publicly announced as effective; and "Federal Funds Effective Rate" shall mean, for any day, the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for the day of such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it. If for any reason the Administrative Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Federal Funds Effective Rate for any reason, including the inability or failure of the Administrative Agent to obtain sufficient quotations in accordance with the terms thereof, the Alternate Base Rate shall be the Prime Rate until the circumstances giving rise to such inability no longer exist. Any change in the Alternate Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective on the effective date of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

"Applicable Eurocurrency Margin" shall mean the "Applicable Eurocurrency Margin" determined in accordance with the Pricing Grid set forth in Annex I hereto.

"Applicable Facility Fee Rate" shall mean the "Applicable Facility Fee Rate" determined in accordance with the Pricing Grid set forth in Annex I hereto.

"Applicable LC Fee Rate" shall mean (a) with respect to Financial Letters of Credit, the "Applicable Financial LC Fee Rate" determined in accordance with the Pricing Grid set forth in Annex I hereto and (b) with respect to Non-Financial Letters of Credit, the

"Applicable Non-Financial LC Fee Rate" determined in accordance with the Pricing Grid set forth in Annex I hereto.

"Applicable Utilization Fee Rate" shall mean the "Applicable Utilization Fee Rate" determined in accordance with the Pricing Grid set forth in Annex I hereto.

"Assignment and Acceptance" shall mean an assignment and acceptance entered into by a Lender and an assignee, and accepted by the Administrative Agent, in the form of Exhibit C.

"Blockbuster Event" means the sale or deconsolidation of Blockbuster Inc. from Viacom, which sale or deconsolidation shall be substantially non-recourse to Viacom and Viacom International.

"Board" shall mean the Board of Governors of the Federal Reserve System of the United States.

"Bonds" shall have the meaning assigned to such term in Section 8.2(g).

"Borrower" shall mean, as applicable, Viacom or the relevant Subsidiary Borrower (including the relevant Canadian Borrower for all purposes other than Article II and Annex II).

"Borrowing Request" shall mean a request made pursuant to Section 2.4 in the form of Exhibit B-4.

"Business Day" shall mean any day (other than a day which is a Saturday, Sunday or legal holiday in the State of New York) on which banks are open for business in New York City; provided, however, that, when used in connection with a Eurocurrency Loan, the term "Business Day" shall also exclude any day on which banks are not open for international business (including dealings in Dollar deposits) in the London interbank market; provided further, that, when used in connection with a Eurocurrency Loan denominated in Sterling, the term "Business Day" shall also exclude any day on which banks are not open for international business (including dealings in Dollar deposits) in the Paris interbank market.

"Canadian Administrative Agent" shall have the meaning assigned to such term in Annex II hereto.

"Canadian Borrower" shall have the meaning assigned to such term in Annex II hereto.

"Canadian Commitments" shall have the meaning assigned to such term in Annex II hereto.

"Canadian Dollars" or "C\$" shall have the meaning assigned to such term in Annex II hereto.

"Canadian Lending Office" shall have the meaning assigned to such term in Annex II hereto.

"C\$ Loan" shall have the meaning assigned to such term in Annex II hereto.

"Capital Lease Obligations" of any Person shall mean the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property (other than satellite transponders), or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP.

"Capital Stock" shall mean any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants or options to purchase any of the foregoing.

"Chase" shall have the meaning assigned to such term in the preamble to this Agreement.

"Closing Certificate" shall mean a certificate, substantially in the form of Exhibit E.

"Closing Date" shall mean March 7, 2001.

"Code" shall mean the Internal Revenue Code of 1986, as the same may be amended from time to time.

"Co-Documentation Agents" shall have the meaning assigned to such term in the preamble hereto.

"Commitments" shall mean the Revolving Commitments and the Canadian Commitments.

"Commitment Increase Date" shall have the meaning assigned to such term in Section 2.13(e).

"Commitment Increase Letter" shall have the meaning assigned to such term in Section 2.13(e) and shall be substantially in the form of Exhibit H.

"Commitment Utilization Percentage" shall mean on any day the percentage equivalent to a fraction (i) the numerator of which is the sum of (A) the Total Revolving Facility Exposure, including the aggregate outstanding principal amount of Letters of Credit, Swingline Loans and Competitive Loans, and (B) the Total Canadian Facility Exposure and (ii) the denominator of which is the sum of the Total Revolving Commitment and the Total Canadian Commitment (or, on any day after termination of the Commitments, the Total Revolving

Commitment and the Total Canadian Commitment in effect immediately preceding such termination).

"Communications Act" shall mean the Communications Act of 1934, as amended.

"Competitive Bid" shall mean an offer to make a Competitive Loan pursuant to Section 2.3.

"Competitive Bid Rate" shall mean, as to any Competitive Bid made pursuant to Section 2.3(b), (a) in the case of a Eurocurrency Competitive Loan, the Margin, and (b) in the case of an Absolute Rate Loan, the fixed rate of interest offered by the Lender making such Competitive Bid.

"Competitive Bid Request" shall mean a request made pursuant to Section 2.3 in the form of Exhibit B-1.

"Competitive Loan" shall mean a Loan from a Lender to a Borrower pursuant to the bidding procedure described in Section 2.3. Each Competitive Loan shall be a Eurocurrency Competitive Loan or an Absolute Rate Loan and, subject to Section 2.3(a), may be denominated in Dollars or a Foreign Currency.

"Compliance Certificate" shall have the meaning assigned to such term in Section 5.1.

"Confidential Information" shall have the meaning assigned to such term in Section 9.15(a).

"Confidentiality Agreement" shall mean a confidentiality agreement substantially in the form of Exhibit D, with such changes as Viacom may approve.

"Consolidated Coverage Ratio" shall mean, for any period, the ratio of (a) Consolidated EBITDA for such period to (b) Consolidated Interest Expense for such period.

"Consolidated EBITDA" shall mean, with respect to Viacom and its Consolidated Subsidiaries for any period, operating profit (loss) (excluding that related to Discontinued Operations), plus other income (loss), plus interest income, plus depreciation and amortization (excluding amortization related to programming rights, prepublication costs and videocassettes), excluding (a) gains (losses) on sales of assets (except (I) gains (losses) on sales of inventory sold in the ordinary course of business and (II) gains (losses) on sales of other assets if such gains (losses) are less than \$10,000,000 individually and less than \$50,000,000 in the aggregate during such period), (b) other non-cash items (including (i) provisions for losses and additions to valuation allowances, (ii) provisions for restructuring, litigation and environmental reserves and losses on the Disposition of businesses and (iii) pension settlement charges), and (c) nonrecurring expenses incurred during such period in connection with the merger of CBS and Viacom pursuant to the Agreement and Plan of Merger entered into by CBS, Viacom and Viacom/CBS LLC dated as of September 6, 1999, as amended, amended and restated, supplemented and otherwise modified from time to time, minus cash payments made during such

period in respect of non-cash charges taken during any previous period (excluding cash payments in respect of non-cash charges taken prior to December 31, 1999).

"Consolidated Interest Expense" shall mean for any period the gross cash interest expense of Viacom and its Consolidated Subsidiaries on Indebtedness for such period plus cash dividends paid on preferred stock to persons other than Viacom and its Wholly Owned Subsidiaries for such period, but excluding the gross cash interest expense of the Discontinued Operations for such period.

"Consolidated Subsidiary" shall mean, as to any Person, each Subsidiary of such Person (whether now existing or hereafter created or acquired) the financial statements of which shall be consolidated with the financial statements of such Person in accordance with GAAP.

"Consolidated Tangible Assets" shall mean at any date the assets of Viacom and its Subsidiaries determined on such date on a consolidated basis, less goodwill and other intangible assets.

"Credit Event" shall mean the making of any Loan or the issuance of any Letter of Credit hereunder (including the designation of a Designated Letter of Credit as a "Letter of Credit" hereunder). It is understood that conversions and continuations pursuant to Section 2.8 and subsection 2.6 of Annex II do not constitute "Credit Events".

"Debt Rating" shall mean the rating applicable to Viacom's senior, unsecured, non-credit-enhanced long-term indebtedness for borrowed money, as assigned by either Rating Agency.

"Default" shall mean any event or condition which upon notice, lapse of time or both would constitute an Event of Default.

"Designated Letters of Credit" shall mean each letter of credit issued by an Issuing Lender that (a) is not a Letter of Credit hereunder at the time of its issuance and (b) is designated on or after the Closing Date by Viacom or any Subsidiary Borrower (excepting any Canadian Borrower), with the consent of such Issuing Lender, as a "Letter of Credit" hereunder by written notice to the Administrative Agent in the form of Exhibit B-6.

"Discontinued Operations" shall mean the operations classified as "discontinued operations" pursuant to Accounting Principles Board Opinion No. 30 as presented in the quarterly report of CBS on Form 10-Q for the quarter ended September 30, 1997 and filed with the SEC on December 14, 1997.

"Disposition" shall mean, with respect to any Property, any sale, lease, assignment, conveyance, transfer or other disposition thereof; and the terms "Dispose" and "Disposed of" shall have correlative meanings.

"Dollars" or "\$" shall mean lawful money of the United States of America.

"Environmental Laws" shall mean any and all Federal, state, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions,

grants, franchises, licenses, agreements or other governmental restrictions relating to the environment or to emissions, discharges, releases or threatened releases of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes into the environment, including, without limitation, ambient air, surface water, ground water or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances or wastes.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" shall mean, with respect to Viacom, any trade or business (whether or not incorporated) that is a member of a group of which Viacom is a member and which is treated as a single employer under Section 414 of the Code.

"Eurocurrency Competitive Loan" shall mean any Competitive Loan which is a Eurocurrency Loan.

"Eurocurrency Loan" shall mean any Loan bearing interest at a rate determined by reference to the Eurocurrency Rate.

"Eurocurrency Rate" shall mean, with respect to an Interest Period (a) pertaining to any Eurocurrency Loan (excepting Sterling), the rate of interest determined on the basis of the rate for deposits in Dollars or the relevant Foreign Currency, as the case may be, for a period equal to such Interest Period commencing on the first day of such Interest Period appearing on Page 3750 (or, in the case of any Foreign Currency, the applicable page) of the Telerate Screen as of 11:00 A.M., London time, two Business Days prior to the beginning of such Interest Period and (b) pertaining to any Eurocurrency Loan denominated in Sterling, the rate of interest determined by the Administrative Agent to be the average of the rates quoted by the Reference Banks at approximately 11:00 a.m. London time (or as soon thereafter as practicable) on the day two Business Days prior to the first day of the Interest Period for such Loans for the offering by the Reference Banks to leading banks in the Paris interbank market of deposits in Sterling having a term comparable to such Interest Period and in an amount comparable to the principal amount of the respective Eurocurrency Loans of the Reference Banks to which such Interest Period relates. In the event that such rate does not appear on such page of the Telerate Screen (or otherwise on the Telerate Service), the "Eurocurrency Rate" shall instead be the interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the average of the rates at which deposits in Dollars or the relevant Foreign Currency, as the case may be, approximately equal in principal amount to (a) in the case of a Eurocurrency Tranche, the portion of such Eurocurrency Tranche of the Lender serving as Administrative Agent and (b) in the case of a Eurocurrency Competitive Loan, a principal amount that would have been the portion of such Loan of the Lender serving as the Administrative Agent had such Loan been a Eurocurrency Revolving Loan, and for a maturity comparable to such Interest Period, are offered by the principal London offices of the Reference Banks (or, if any Reference Bank does not at the time maintain a London office, the principal London office of any affiliate of such Reference Bank) for immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

"Eurocurrency Revolving Loan" shall mean any Revolving Credit Loan, which is a Eurocurrency Loan. Subject to the limitations contained herein, a Eurocurrency Revolving Loan may be a Multi-Currency Revolving Loan.

"Eurocurrency Tranche" shall mean the collective reference to Eurocurrency Loans under a particular Facility denominated in the same currency made by the Lenders, the then current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Eurocurrency Loans shall originally have been made on the same day).

"Eurocurrency US\$-Canadian Loans" shall mean any US\$-Canadian Loan bearing interest at the Eurocurrency Rate.

"Euros" shall mean the single currency of participating member states of the European Monetary Union.

"Event of Default" shall have the meaning assigned to such term in Article VI; provided that any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Excess Utilization Day" shall mean each day on which the Commitment Utilization Percentage exceeds 50%.

"Exchange Act Report" shall have the meaning assigned to such term in Section 3.3.

"Existing Credit Agreements" shall mean the (a) \$6,400,000,000 Amended and Restated Credit Agreement, dated as of March 26, 1997 (as amended, restated, supplemented or otherwise modified), among Viacom, as the borrower, the banks named therein, The Bank of New York, Citibank, N.A., Morgan Guaranty Trust Company of New York, Bank of America NT&SA and The Chase Manhattan Bank, as managing agents, The Bank of New York, as documentation agent, Citibank, N.A., as the administrative agent, and JP Morgan Securities Inc. and Bank of America NT&SA, as the syndication agents; (b) \$1,500,000,000 Amended and Restated Credit Agreement, dated as of December 10, 1999 (as amended, restated, supplemented or otherwise modified), among Viacom (successor by merger with CBS Corporation), as the borrower, the lenders named therein, Bank of America, N.A. and The Toronto-Dominion Bank, as syndication agents, The Chase Manhattan Bank, as documentation agent and Morgan Guaranty Trust Company of New York, as administrative agent; (c) \$1,500,000,000 Amended and Restated Credit Agreement, dated as of December 10, 1999 (as amended, restated, supplemented or otherwise modified), among Infinity, as the borrower, each subsidiary borrower, Viacom (successor by merger with CBS Corporation), as a guarantor, the lenders named therein, Bank of America, N.A. and The Toronto-Dominion Bank, as syndication agents, The Chase Manhattan Bank, as documentation agent and Morgan Guaranty Trust Company of New York, as administrative agent; and (d) \$500,000,000 364-Day Credit Agreement, dated as of May 3, 2000 (as amended, restated, supplemented or otherwise modified), among Infinity, as the borrower, each subsidiary borrower, the lenders named therein, Bank of New York, as

documentation agent, The Chase Manhattan Bank, as administrative agent, and Bank of America, N.A. and Fleet National Bank, as co-syndication agents.

"Existing Infinity Credit Agreement" shall mean the Five-Year Credit Agreement, dated as of May 3, 2000 (as amended, restated, supplemented or otherwise modified from time to time), among Infinity, as borrower, the subsidiary borrowers party thereto, the lenders named therein, Bank of New York, as documentation agent, Chase, as administrative agent, and Bank of America, N.A. and Fleet National Bank, as co-syndication agents.

"Facility" shall mean each of (a) the Revolving Credit Commitments and the extensions of credit made thereunder (the "Revolving Facility") and (b) the Canadian Commitments and the extensions of credit made thereunder (the "Canadian Facility").

"Facility Fees" shall mean all fees payable pursuant to Section 2.9(a).

"Federal Funds Effective Rate" shall have the meaning assigned to such term in the definition of "Alternate Base Rate".

"Fees" shall mean the Facility Fees, the Administrative Agent's Fees, the Issuing Lender Fees, the LC Fees and the Utilization Fees.

"Financial Covenant" shall mean the financial covenant contained in Section 5.7.

"Financial Letter of Credit" shall mean any Letter of Credit that, as determined by the Administrative Agent acting in good faith, (a) supports a financial obligation and (b) qualifies for the 100% credit conversion factor under the applicable Bank for International Settlements guidelines.

"Financial Officer" of any corporation shall mean its Chief Financial Officer, its Vice President and Treasurer or its Vice President and Chief Accounting Officer or, in each case, any comparable officer or any Person designated by any such officer.

"Foreign Currency" shall mean any currency (including, without limitation, any Multi-Currency and Canadian Dollars, but excluding Dollars), which is readily transferable and readily convertible by the relevant Lender or Issuing Lender, as the case may be, into Dollars in the London interbank market.

"Foreign Exchange Rate" shall mean, with respect to any Foreign Currency on a particular date, the rate at which such Foreign Currency may be exchanged into Dollars, determined by reference to the selling rate in respect of such Foreign Currency published in the "Wall Street Journal" on the relevant date of determination. In the event that such rate is not, or ceases to be, so published by the "Wall Street Journal", the "Foreign Exchange Rate" with respect to such Foreign Currency shall be determined by reference to such other publicly available source for determining exchange rates as may be agreed upon by the Administrative Agent and Viacom or, in the absence of such agreement, such "Foreign Exchange Rate" shall instead be (i) with respect to any Foreign Currency, excepting Canadian Dollars, the Administrative Agent's spot rate of exchange in the interbank market where its foreign currency exchange operations in respect of such Foreign Currency are then being conducted, at or about

12:00 noon, local time, at such date for the purchase of Dollars with such Foreign Currency, for delivery two banking days later and (ii) with respect to Canadian Dollars, the spot rate at which Canadian Dollars may be exchanged into Dollars, as quoted by the Canadian Administrative Agent at approximately 12:00 noon, Toronto time, at such date for the purchase of Dollars with such Canadian Dollars, for delivery two banking days later.

"GAAP" shall mean generally accepted accounting principles.

"Governmental Authority" shall mean any Federal, state, local or foreign court or governmental agency, authority, instrumentality or regulatory body.

"Granting Bank" shall have to meaning specified in Section 9.4(i).

"Guarantee" of or by any Person shall mean any obligation, contingent or otherwise, of such Person guaranteeing or entered into with the purpose of guaranteeing any Indebtedness of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or to purchase (or to advance or supply funds for the purchase of) any security for the payment of such Indebtedness, (b) to purchase Property, securities or services for the purpose of assuring the owner of such Indebtedness of the payment of such Indebtedness or (c) to maintain working capital, equity capital or other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness; provided, however, that the term "Guarantee" shall not include endorsements for collection or deposit, in either case in the ordinary course of business.

"Indebtedness" of any Person shall mean at any date, without duplication, (i) all obligations of such Person for borrowed money (including, without limitation, in the case of any Borrower (including any Canadian Borrower), the obligations of such Borrower or such Canadian Borrower, as applicable, for borrowed money under this Agreement), (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of Property or services, except as provided below, (iv) all obligations of such Person as lessee under Capital Lease Obligations, (v) all Indebtedness of others secured by a Lien on any Property of such Person, whether or not such Indebtedness is assumed by such Person, (vi) all Indebtedness of others directly or indirectly guaranteed or otherwise assumed by such Person, including any obligations of others endorsed (otherwise than for collection or deposit in the ordinary course of business) or discounted or sold with recourse by such Person, or in respect of which such Person is otherwise directly or indirectly liable, including, without limitation, any Indebtedness in effect guaranteed by such Person through any agreement (contingent or otherwise) to purchase, repurchase or otherwise acquire such obligation or any security therefor, or to provide funds for the payment or discharge of such obligation, or to maintain the solvency or any balance sheet or other financial condition of the obligor of such obligation, provided that Indebtedness of Viacom and its Subsidiaries shall not include (a) guarantees in existence on the date hereof of Indebtedness of Discontinued Operations and (b) guarantees of Indebtedness that are identified on Schedule 1.1(a) hereto (vii) all obligations of such Person as issuer, customer or account party under letters of credit or bankers' acceptances that are either drawn or that back financial obligations that

would otherwise be Indebtedness; provided, however, that in each of the foregoing clauses (i) through (vii), Indebtedness shall not include obligations (other than under this Agreement) specifically with respect to the production, distribution and acquisition of motion pictures or other programming rights, talent or publishing rights.

"Infinity" shall mean Infinity Broadcasting Corporation, a Delaware corporation.

"Interest Payment Date" shall mean (a) with respect to any Eurocurrency Loan or Absolute Rate Loan, the last day of the Interest Period applicable thereto and, in the case of a Eurocurrency Loan with an Interest Period of more than three months' duration or an Absolute Rate Loan with an Interest Period of more than 90 days' duration, each day that would have been an Interest Payment Date for such Loan had successive Interest Periods of three months' duration or 90 days' duration, as the case may be, been applicable to such Loan and, in addition, the date of any conversion of any Eurocurrency Revolving Loan to an ABR Loan, the date of repayment or prepayment of any Eurocurrency Loan and the applicable Maturity Date; (b) with respect to any ABR Loan (other than an ABR Swingline Loan which is not an Unrefunded Swingline Loan), the last day of each March, June, September and December and the applicable Maturity Date; (c) with respect to any ABR Swingline Loan (other than an Unrefunded Swingline Loan), the earlier of (i) the day that is five Business Days after such Loan is made and (ii) the Revolving Credit Maturity Date and (d) with respect to any Quoted Swingline Loan, the date established as such by the relevant Swingline Borrower and the relevant Swingline Lender prior to the making thereof (but in any event no later than the Revolving Credit Maturity Date).

"Interest Period" shall mean (a) as to any Eurocurrency Loan, the period commencing on the borrowing date or conversion date of such Loan, or on the last day of the immediately preceding Interest Period applicable to such Loan, as the case may be, and ending on the numerically corresponding day (or, if there is no numerically corresponding day, on the last day) in the calendar month that is 7 days (subject to the prior consent of all Lenders under the relevant Facility) or 1, 2, 3 or 6 months or (subject to the prior consent of all Lenders under the relevant Facility) 9 or 12 months thereafter, as the relevant Borrower may elect, and (b) as to any Absolute Rate Loan, the period commencing on the date of such Loan and ending on the date specified in the Competitive Bids in which the offer to make such Absolute Rate Loan was extended; provided, however, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of Eurocurrency Loans only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) notwithstanding anything to the contrary herein, no Borrower may select an Interest Period which would end after the Maturity Date applicable to the relevant Loan. Interest shall accrue from and including that first day of an Interest Period to but excluding the last day of such Interest Period.

"Issuing Lender" shall mean any Lender designated as an Issuing Lender in an Issuing Lender Agreement executed by such Lender, Viacom and the Administrative Agent; provided, that the Issuing Lender may, in its discretion, arrange for one or more Letters of Credit to be issued by any of its Lender Affiliates (in which case the term "Issuing Lender" shall include such Lender Affiliate with respect to Letters of Credit issued by such Lender Affiliate);

provided, further, with respect to any Designated Letter of Credit, the Lender or Lender Affiliate of such Lender which issued such Designated Letter of Credit.

"Issuing Lender Agreement" shall mean an agreement, substantially in the form of Exhibit F, executed by a Lender, Viacom, and the Administrative Agent pursuant to which such Lender agrees to become an Issuing Lender hereunder.

"Issuing Lender Fees" shall mean, as to any Issuing Lender, the fees set forth in the applicable Issuing Lender Agreement.

"Joint Lead Arrangers" shall mean JP Morgan, a division of Chase Securities Inc., a New York corporation, and Salomon Smith Barney Inc., a New York corporation.

"LC Disbursement" shall mean any payment or disbursement made by an Issuing Lender under or pursuant to a Letter of Credit.

"LC Exposure" shall mean, as to each Lender, such Lender's Revolving Credit Percentage of the Aggregate LC Exposure.

"LC Fee" shall have the meaning assigned such term in Section 2.9(b).

"Lender Affiliate" shall mean, (a) with respect to any Lender, (i) an affiliate of such Lender or (ii) any entity (whether a corporation, partnership, trust or otherwise) that is engaged in making, purchasing, holding or otherwise investing in bank loans and similar extensions of credit in the ordinary course of its business and is administered or managed by a Lender or an affiliate of such Lender and (b) with respect to any Lender that is a fund which invests in bank loans and similar extensions of credit, any other fund that invests in bank loans and similar extensions of credit and is managed by the same investment advisor as such Lender or by an affiliate of such investment advisor.

"Lenders" shall have the meaning assigned to such term in the preamble to this Agreement. It is understood and agreed that each reference in this Agreement to any Lender shall, to the extent applicable, be deemed to be a reference to each US-Canadian Lender (for all purposes other than Article II and Annex II).

"Letters of Credit" shall mean letters of credit or bank guarantees issued by an Issuing Lender for the account of Viacom or any Subsidiary Borrower (excepting any Canadian Borrower) pursuant to Section 2.7(including any Designated Letters of Credit).

"Lien" shall mean any mortgage, deed of trust, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), security interest or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever, including, without limitation, any conditional sale or other title retention agreement.

"Loan" shall mean any loan made by a Lender hereunder.

"Loan Documents" shall mean this Agreement and the Administrative Agent Fee Letter.

"Margin" shall mean, as to any Eurocurrency Competitive Loan, the margin (expressed as a percentage rate per annum in the form of a decimal rounded to no more than four places) to be added to or subtracted from the Eurocurrency Rate in order to determine the interest rate applicable to such Loan, as specified in the Competitive Bid relating to such Loan.

"Margin Stock" shall have the meaning assigned to such term under Regulation U.

"Material Acquisition" shall mean any acquisition of Property or series of related acquisitions of Property (including by way of merger) which (a) constitutes assets comprising all or substantially all of an operating unit of a business or constitutes all or substantially all of the common stock of a Person and (b) involves the payment of consideration by Viacom and its Subsidiaries (valued at the initial principal amount thereof in the case of non-cash consideration consisting of notes or other debt securities and valued at fair market value in the case of other non-cash consideration) in excess of \$100,000,000.

"Material Adverse Effect" shall mean (a) a material adverse effect on the Property, business, results of operations or financial condition of Viacom and its Subsidiaries taken as a whole or (b) material impairment of the ability of Viacom to perform any of its obligations under this Agreement.

"Material Disposition" shall mean any Disposition of Property or series of related Dispositions of Property which yields gross proceeds to Viacom or any of its Subsidiaries (valued at the initial principal amount thereof in the case of non-cash proceeds consisting of notes or other debt securities and valued at fair market value in the case of other non-cash proceeds) in excess of \$100,000,000.

"Material Subsidiary" shall mean any "significant subsidiary" of Viacom as defined in Regulation S-X of the SEC; provided, that each Subsidiary Borrower shall in any event constitute a Material Subsidiary.

"Maturity Date" shall mean (a) in the case of the Revolving Credit Loans and the ABR Swingline Loans, the Revolving Credit Maturity Date, (b) in the case of the Quoted Swingline Loans, the date established as such by the relevant Swingline Borrower and the relevant Swingline Lender prior to the making thereof (but in any event no later than the Revolving Credit Maturity Date) and (c) in the case of Competitive Loans, the last day of the Interest Period applicable thereto, as specified in the related Competitive Bid Request.

"Moody's" shall mean Moody's Investors Service, Inc.

"Multi-Currency" shall mean Euros, Sterling and Yen.

"Multi-Currency Revolving Loans" shall mean each Eurocurrency Revolving Loan denominated in any Multi-Currency.

"Multi-Currency Sublimit" shall mean with respect to (i) Euros, \$500,000,000, (ii) Sterling, \$500,000,000, (iii) Yen, \$300,000,000 and (iv) Canadian Dollars, \$300,000,000, as

the sublimit may be increased or decreased from time to time in accordance with Section 2.13 and subsection 3.2 of Annex II.

"Multiemployer Plan" shall mean a multiemployer plan as defined in Section 3(37) of ERISA to which contributions have been made by Viacom or any ERISA Affiliate of Viacom and which is covered by Title IV of ERISA.

"New Lender" shall have the meaning assigned to such term in Section 2.13(d).

"New Lender Supplement" shall mean the agreement made pursuant to Section 2.13(d) substantially in the form of Exhibit G.

"Non-Financial Letter of Credit" shall mean any Letter of Credit that is not a Financial Letter of Credit.

"Non-U.S. Person" shall have the meaning assigned to such term in Section 2.20(f).

"Other Taxes" shall mean any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

"Outstanding Canadian Extensions of Credit" shall mean, as to any US-Canadian Lender at any time, an amount equal to the sum of (a) the aggregate principal amount of all US\$-Canadian Loans made by such US-Canadian Lender then outstanding and (b) the aggregate principal amount of all C\$ Loans made by such US-Canadian Lender then outstanding.

"Outstanding Revolving Extensions of Credit" shall mean, as to any Lender at any time, an amount equal to the sum of (a) the aggregate principal amount of all Revolving Credit Loans made by such Lender then outstanding, (b) such Lender's LC Exposure at such time and (c) such Lender's ABR Swingline Exposure at such time.

"PBGC" shall mean the Pension Benefit Guaranty Corporation referred to and defined in ERISA, or any successor thereto.

"Person" shall mean any natural person, corporation, business trust, joint venture, association, company, partnership, limited liability company or other entity, or any government or any agency or political subdivision thereof.

"Plan" shall mean any employee pension benefit plan as defined in Section 3(2) of ERISA (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code and which is maintained for employees of Viacom or any ERISA Affiliate.

"Prime Rate" shall have the meaning assigned to such term in the definition of "Alternate Base Rate".

"Pro Forma Period" shall have the meaning assigned to such term in Section 1.2(c).

"Property" shall mean any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible, including, without limitation, Capital Stock.

"Quoted Swingline Loans" shall have the meaning assigned to such term in Section 2.6(a).

"Quoted Swingline Rate" shall have the meaning assigned to such term in Section 2.6(a).

"Rating Agencies" shall mean S&P and Moody's.

"Reference Banks" shall mean Chase, Citibank N.A. and Bank of America, N.A.

"Register" shall have the meaning assigned to such term in Section 9.4(d).

"Regulation D" shall mean Regulation D of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Regulation U" shall mean Regulation U of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Required US-Canadian Lenders" shall mean, at any time, US-Canadian Lenders whose respective Total Canadian Facility Percentages aggregate more than 50%.

"Required Facility Lenders" shall mean the Required US-Canadian Lenders or the Required Revolving Lenders, as applicable.

"Required Revolving Lenders" shall mean, at any time, Lenders whose respective Total Revolving Facility Percentages aggregate more than 50%.

"Required Lenders" shall mean, at any time, Lenders whose respective Total Facility Percentages aggregate more than 50%.

"Responsible Officer" of any corporation shall mean any executive officer or Financial Officer of such corporation and any other officer or similar official thereof responsible for the administration of the obligations of such corporation in respect of this Agreement (or, in the case of matters relating to ERISA, any officer responsible for the administration of the pension funds of such corporation).

"Revolving Commitment" shall mean, with respect to each Lender, the commitment of such Lender to make Revolving Credit Loans pursuant to Section 2.1(a), to make or refund ABR Swingline Loans pursuant to Section 2.6 and to issue or participate in Letters of Credit pursuant to Section 2.7, in each case, as set forth on Schedule 1.1, as such Lender's

Commitment may be permanently terminated or reduced from time to time pursuant to Section 2.13 or changed pursuant to Section 9.4.

"Revolving Credit Loans" shall mean the revolving loans made by the Lenders to any Borrower pursuant to Section 2.4. Each Revolving Credit Loan shall be a Eurocurrency Loan or an ABR Loan.

"Revolving Credit Maturity Date" shall mean March 7, 2006.

"Revolving Credit Percentage" of any Lender at any time shall mean the percentage of the aggregate Revolving Commitments (or, following any termination of all the Revolving Commitments, the Revolving Commitments most recently in effect) represented by such Lender's Revolving Commitment (or, following any such termination, the Revolving Commitment of such Lender most recently in effect).

"Revolving Facility Exposure" shall mean, with respect to any Lender, the sum of (a) the Outstanding Revolving Extensions of Credit of such Lender, (b) the aggregate outstanding principal amount of any Competitive Loans made by such Lender and (c) in the case of a Swingline Lender, the aggregate outstanding principal amount of any Quoted Swingline Loans made by such Swingline Lender.

"S&P" shall mean Standard & Poor's Ratings Services.

"SEC" shall mean the Securities and Exchange Commission.

"Sole Bookrunner" shall mean JP Morgan, a division of Chase Securities Inc., a New York corporation.

"Specified Currency Availability" shall mean the Multi-Currency Sublimit with respect to the relevant Multi-Currency less the Dollar equivalent of the aggregate principal amount of all Multi-Currency Revolving Loans denominated in such Multi-Currency outstanding on the date of borrowing.

"SPC" shall have the meaning specified in Section 9.4(i).

"Spot Rate" shall mean, at any date, the Administrative Agent's or Lender's, as the case may be, (or, for purposes of determinations in respect of the Aggregate LC Exposure related to Letters of Credit issued in a Foreign Currency, the Issuing Lender's or Issuing Lenders', as the case may be) spot buying rate for the relevant Foreign Currency against Dollars as of approximately 11:00 a.m. (London time) on such date for settlement on the second Business Day.

"Sterling" shall mean British Pounds Sterling, the lawful currency of the United Kingdom on the date hereof.

"Subsidiary" shall mean, for any Person (the "Parent"), any corporation, partnership or other entity of which shares of Voting Capital Stock sufficient to elect a majority of the board of directors or other Persons performing similar functions of such corporation,

partnership or other entity (irrespective of whether or not at the time securities or other ownership interests of any other class or classes of such corporation, partnership or other entity shall have or might have voting power by reason of the happening of any contingency) are at the time directly or indirectly owned or controlled by the Parent or one or more of its Subsidiaries or by the Parent and one or more of its Subsidiaries. Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of Viacom.

"Subsidiary Borrower" shall mean any Subsidiary of Viacom (a) which is designated as a Subsidiary Borrower by Viacom pursuant to a Subsidiary Borrower Designation, (b) which has delivered to the Administrative Agent a Subsidiary Borrower Request and (c) whose designation as a Subsidiary Borrower has not been terminated pursuant to Section 4.2. The term "Subsidiary Borrower" shall include (except for purposes of Article II and Annex II) any Canadian Borrower.

"Subsidiary Borrower Designation" shall mean a designation, substantially in the form of Exhibit B-7, which may be delivered by Viacom and approved by Viacom and shall be accompanied by a Subsidiary Borrower Request.

"Subsidiary Borrower Obligations" shall mean, with respect to each Subsidiary Borrower (including each Canadian Borrower), the unpaid principal of and interest on the Loans made to such Subsidiary Borrower (including, without limitation, interest accruing after the maturity of the Loans made to such Subsidiary Borrower and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to such Subsidiary Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) and all other obligations and liabilities of such Subsidiary Borrower to the Administrative Agent or to any Lender (including any US-Canadian Lender), whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement.

"Subsidiary Borrower Request" shall mean a request, substantially in the form of Exhibit B-8, which is received by the Administrative Agent in connection with a Subsidiary Borrower Designation.

"Swingline Borrower" shall mean Viacom and any Subsidiary Borrower designated as a "Swingline Borrower" by Viacom in a written notice to the Administrative Agent; provided, that, unless otherwise agreed by the Administrative Agent, no more than one Subsidiary Borrower may be a Swingline Borrower at any one time. Only a Subsidiary Borrower which is a U.S. Person may be a Swingline Borrower.

"Swingline Commitment" shall mean, (i) with respect to any Swingline Lender, the Commitment of such Lender to make ABR Swingline Loans pursuant to Section 2.6, as designated in accordance with Section 2.6(g) and as set forth on Schedule 1.1, and, (ii) in the aggregate, \$300,000,000.

"Swingline Lender" shall mean The Chase Manhattan Bank and any other Lender designated from time to time by Viacom, and approved by such Lender, as a "Swingline Lender" pursuant to Section 2.6(g).

"Swingline Loans" shall mean the collective reference to the ABR Swingline Loans and the Quoted Swingline Loans.

"Swingline Percentage" of any Swingline Lender at any time shall mean the percentage of the aggregate Swingline Commitments represented by such Swingline Lender's Swingline Commitment.

"Syndication Agent" shall have the meaning assigned to such term in the preamble hereto.

"Test Period" shall have the meaning assigned to such term in Section 1.2(c).

"364-Day Credit Agreement" shall mean the 364-day credit agreement, dated the date hereof, among Viacom, Viacom International, each subsidiary borrower, the lenders party thereto, Chase, as administrative agent, Salomon Smith Barney Inc., as syndication agent, and Fleet National Bank and Bank of America, N.A., as co-documentation agents.

"Total Canadian Commitment" shall mean at any time the aggregate amount of the Canadian Commitments in effect at such time.

"Total Canadian Facility Exposure" shall mean at any time the aggregate amount of the Outstanding Canadian Extensions of Credit at such time.

"Total Canadian Facility Percentage" shall mean, as to any US-Canadian Lender at any time, the quotient (expressed as a percentage) of (a) such US-Canadian Lender's Canadian Commitment (or (x) for the purposes of acceleration of the Loans pursuant to clause (II) of Article VI or (y) if the Canadian Commitments have terminated, the sum of such Lender's Outstanding Canadian Extensions of Credit) and (b) the aggregate of all US-Canadian Lenders' Canadian Commitments (or (x) for the purposes of acceleration of the Loans pursuant to clause (II) of Article VI or (y) if the Canadian Commitments have terminated, the Total Canadian Facility Exposure).

"Total Facility Percentage" shall mean, (i) as to any Lender (including any US-Canadian Lender) at any time, the quotient (expressed as a percentage) of (a) the sum of such Lender's Commitment and Canadian Commitment (or (x) for the purposes of acceleration of the Loans pursuant to clause (II) of Article VI or (y) if the Commitments have terminated, the sum of such Lender's Revolving Facility Exposure and Outstanding Canadian Extensions of Credit) and (b) the aggregate of all Lenders' Commitments and Canadian Commitments (or (x) for the purposes of acceleration of the Loans pursuant to clause (II) of Article VI or (y) if the Commitments have terminated, the sum of the Total Revolving Facility Exposure and Total Canadian Facility Exposure).

"Total Revolving Commitment" shall mean at any time the aggregate amount of the Revolving Commitments in effect at such time.

"Total Revolving Facility Exposure" shall mean at any time the aggregate amount of the Revolving Facility Exposures at such time.

"Total Revolving Facility Percentage" shall mean, as to any Lender at any time, the quotient (expressed as a percentage) of (a) such Lender's Revolving Commitment (or (x) for the purposes of acceleration of the Loans pursuant to clause (II) of Article VI or (y) if the Revolving Commitments have terminated, such Lender's Revolving Facility Exposure) and (b) the aggregate of all Lenders' Revolving Commitments (or (x) for the purposes of acceleration of the Loans pursuant to clause (II) of Article VI or (y) if the Revolving Commitments have terminated, the Total Revolving Facility Exposure).

"Total Specified Currency Availability" shall mean with respect to Multi-Currency Revolving Loans, \$1,000,000,000 (as increased or decreased from time to time pursuant to Section 2.13) less the Dollar equivalent of the aggregate principal amount of all Multi-Currency Revolving Loans then outstanding.

"Transferee" shall mean any assignee or participant described in Section 9.4(b) or (f).

"Type" when used in respect of any Loan, shall refer to the Rate by reference to which interest on such Loan is determined. For purposes hereof, "Rate" shall mean the Eurocurrency Rate, the Alternate Base Rate, the Quoted Swingline Rate and the rate paid on Absolute Rate Loans.

"Unrefunded Swingline Loans" shall have the meaning assigned to such term in Section 2.6(d).

"US-Canadian Lenders" shall have the meaning assigned to such term in Annex II hereto.

"US\$-Canadian Loans" shall have the meaning set forth in Section 2.1. Each US\$-Canadian Loan shall be a Eurocurrency Loan or an ABR Loan.

"U.S. Person" shall mean a citizen, national or resident of the United States of America, or an entity organized in or under the laws of the United States of America.

"Utilization Fee" shall have the meaning assigned to such term in Section 2.9(e).

"Viacom" shall have the meaning assigned to such term in the preamble to this Agreement.

"Viacom International" shall have the meaning assigned to such term in the preamble to this Agreement.

"Viacom Obligations" shall mean, with respect to Viacom, the unpaid principal of and interest on the Loans made to Viacom (including, without limitation, interest accruing after the maturity of the Loans made to Viacom and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating

to Viacom, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) and all other obligations, including its Guarantee obligations hereunder, and liabilities of Viacom to the Administrative Agent or to any Lender, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement.

"Voting Capital Stock" shall mean securities or other ownership interests of a corporation, partnership or other entity having by the terms thereof ordinary voting power to vote in the election of the board of directors or other Persons performing similar functions of such corporation, partnership or other entity (without regard to the occurrence of any contingency).

"Wholly Owned Subsidiary" shall mean any Subsidiary of which all shares of Voting Capital Stock (other than, in the case of a corporation, directors' qualifying shares) are owned directly or indirectly by the Parent (as defined in the definition of "Subsidiary").

"Yen" shall mean the lawful currency of Japan.

SECTION 1.2. Terms Generally. (a) The definitions in Section 1.1 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall, except where the context otherwise requires, be deemed to be followed by the phrase "without limitation". All references herein to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require.

(b) Except as otherwise expressly provided herein, all terms of an accounting nature shall be construed in accordance with GAAP in effect from time to time. The parties hereto agree, however, that in the event that any change in accounting principles from those used in the preparation of the financial statements referred to in Section 3.2 is hereafter occasioned by the promulgation of rules, regulations, pronouncements, opinions and statements by or required by the Financial Accounting Standards Board or Accounting Principles Board or the American Institute of Certified Public Accountants (or successors thereto or agencies with similar functions) and such change materially affects the calculation of any component of the Financial Covenant or any standard or term contained in this Agreement, the Administrative Agent and Viacom shall negotiate in good faith to amend such Financial Covenant, standards or terms found in this Agreement (other than in respect of financial statements to be delivered hereunder) so that, upon adoption of such changes, the criteria for evaluation of Viacom's and its Subsidiaries' financial condition shall be the same after such change as if such change had not been made; provided, however, that (i) any such amendments shall not become effective for purposes of this Agreement unless approved by the Required Lenders and (ii) if Viacom and the Required Lenders cannot agree on such an amendment, then the calculations under such Financial Covenant, standards or terms shall continue to be computed without giving effect to such change in accounting principles; provided further, however, that the parties hereto agree that Viacom and its Subsidiaries shall adopt Statement of Position 00-2, "Accounting by Producers or Distributors of Films" effective as from January 1, 2000.

(c) For the purposes of calculating Consolidated EBITDA and Consolidated Interest Expense for any period (a "Test Period"), (i) if at any time from the period (a "Pro Forma Period") commencing on the second day of such Test Period and ending on the date which is ten days prior to the date of delivery of the Compliance Certificate in respect of such Test Period (or, in the case of any pro forma calculation made pursuant hereto in respect of a particular transaction, ending on the date such transaction is consummated after giving effect thereto), Viacom or any Subsidiary shall have made any Material Disposition, the Consolidated EBITDA for such Test Period shall be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the Property which is the subject of such Material Disposition for such Test Period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such Test Period, and Consolidated Interest Expense for such Test Period shall be reduced by an amount equal to the Consolidated Interest Expense for such Test Period attributable to any Indebtedness of Viacom or any Subsidiary repaid, repurchased, defeased or otherwise discharged with respect to Viacom and its Subsidiaries in connection with such Material Disposition (or, if the Capital Stock of any Subsidiary is sold, the Consolidated Interest Expense for such Test Period directly attributable to the Indebtedness of such Subsidiary to the extent Viacom and its continuing Subsidiaries are no longer liable for such Indebtedness after such Disposition); (ii) if during such Pro Forma Period Viacom or any Subsidiary shall have made a Material Acquisition, Consolidated EBITDA and Consolidated Interest Expense for such Test Period shall be calculated after giving pro forma effect thereto (including the incurrence or assumption of any Indebtedness in connection therewith) as if such Material Acquisition (and the incurrence or assumption of any such Indebtedness) occurred on the first day of such Test Period; and (iii) if during such Pro Forma Period any Person that subsequently became a Subsidiary or was merged with or into Viacom or any Subsidiary since the beginning of such Pro Forma Period shall have entered into any disposition or acquisition transaction that would have required an adjustment pursuant to clause (i) or (ii) above if made by Viacom or a Subsidiary during such Pro Forma Period, Consolidated EBITDA and Consolidated Interest Expense for such Test Period shall be calculated after giving pro forma effect thereto as if such transaction occurred on the first day of such Test Period. For the purposes of this paragraph, whenever pro forma effect is to be given to a Material Disposition or Material Acquisition, the amount of income or earnings relating thereto and the amount of Consolidated Interest Expense associated with any Indebtedness discharged or incurred in connection therewith, the pro forma calculations shall be determined in good faith by a Financial Officer of Viacom. If any Indebtedness bears a floating rate of interest and the incurrence or assumption thereof is being given pro forma effect, the interest expense on such Indebtedness shall be calculated as if the rate in effect on the last day of the relevant Pro Forma Period had been the applicable rate for the entire relevant Test Period (taking into account any interest rate protection agreement applicable to such Indebtedness if such interest rate protection agreement has a remaining term in excess of 12 months). Comparable adjustments shall be made in connection with any determination of Consolidated EBITDA.

(d) For purposes of the Financial Covenant, (i) the Discontinued Operations shall be disregarded and (ii) the businesses classified as Discontinued Operations shall be limited to those businesses treated as such in the financial statements of Viacom referred to in the definition of "Discontinued Operations" and the accounting treatment of Discontinued Operations shall be consistent with the accounting treatment thereof in such financial statements.

ARTICLE II

THE CREDITS

SECTION 2.1. Commitments.

(a) Subject to the terms and conditions hereof and relying upon the representations and warranties herein set forth, each Lender agrees, severally and not jointly, to make Revolving Credit Loans to Viacom or any Subsidiary Borrower at any time and from time to time on and after the Closing Date and until the earlier of (x) the Business Day immediately preceding the Revolving Credit Maturity Date and (y) the termination of the Revolving Commitment of such Lender, in an aggregate principal amount at any time outstanding not to exceed such Lender's Revolving Commitment. Each Borrower may borrow, prepay and reborrow Revolving Credit Loans on and after the Closing Date and prior to the Revolving Credit Maturity Date, subject to the terms, conditions and limitations set forth herein.

(b) Subject to the terms and conditions hereof and relying upon the representations and warranties herein set forth, each US-Canadian Lender agrees, severally and not jointly, (A) to make C\$ Loans to any Canadian Borrower as provided in Annex II or (B) at Viacom's request, to make revolving loans denominated in Dollars to Viacom or any Subsidiary Borrower (excluding any Canadian Borrower) (such revolving loans, "US\$-Canadian Loans"), in each case, through its applicable Canadian Lending Office with respect to such Loan, at any time and from time to time on and after the Closing Date and until the earlier of (x) the Business Day immediately preceding the Revolving Credit Maturity Date and (y) the termination of the Canadian Commitment of such US-Canadian Lender, in an aggregate principal amount at any time outstanding not to exceed such US-Canadian Lender's Canadian Commitment. Each Borrower may borrow, prepay and reborrow US\$-Canadian Loans on and after the Closing Date and prior to the Revolving Credit Maturity Date, subject to the terms, conditions and limitations set forth herein and in Annex II and each Canadian Borrower may borrow, prepay and reborrow C\$ Loans as provided in Annex II.

SECTION 2.2. Revolving Credit Loans; Competitive Loans.

(a) Each Revolving Credit Loan shall be made to the relevant Borrower by the Lenders ratably in accordance with their respective Revolving Commitments, in accordance with the procedures set forth in Section 2.4. Each US\$-Canadian Loan shall be made to the relevant Borrower by the US-Canadian Lenders ratably in accordance with their respective Canadian Commitments, in accordance with the procedures set forth in Section 2.4. Each Competitive Loan shall be made to the relevant Borrower by the Lender whose Competitive Bid therefor is accepted, and in the amount so accepted, in accordance with the procedures set forth in Section 2.3. The Revolving Credit Loans, US\$-Canadian Loans or Competitive Loans shall be made in minimum amounts equal to (i) in the case of Competitive Loans, \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof, (ii) in the case of Eurocurrency US\$-Canadian Loans and Eurocurrency Revolving Loans, \$50,000,000 or an integral multiple of \$5,000,000 in excess thereof, (iii) in the case of Multi-Currency Revolving Loans, the Dollar equivalent of \$25,000,000 or an integral multiple of \$5,000,000 in excess thereof and (iv) in the case of ABR

US\$-Canadian Loans and ABR Revolving Loans, \$25,000,000 or an integral multiple of \$5,000,000 in excess thereof (or (A) (x) in the case of Revolving Credit Loans, an aggregate principal amount equal to the remaining balance of the available Total Revolving Commitment or, if less, (y) with respect to Multi-Currency Revolving Loans, the lesser of (I) the Specified Currency Availability with respect to such currency and (II) the Total Specified Currency Availability or (B) in the case of US\$-Canadian Loans, an aggregate principal amount equal to the remaining balance of the available Total Canadian Commitment).

(b) Each Lender or US-Canadian Lender, as applicable, shall make each Loan (other than a Swingline Loan, as to which this Section 2.2 shall not apply, and a C\$ Loan, as to which Annex II shall govern) to be made by it on the proposed date thereof by wire transfer of immediately available funds to the Administrative Agent in New York, New York, not later than 12:00 noon, New York City time (or, in connection with an ABR Loan to be made on the same day on which a notice is submitted, 12:30 p.m., New York City time) and the Administrative Agent shall by 3:00 p.m., New York City time, credit the amounts so received to the general deposit account of the relevant Borrower with the Administrative Agent. Each US-Canadian Lender shall make each US\$-Canadian Loan through a branch or Lender Affiliate of such US-Canadian Lender located in the United States (or as otherwise may be agreed from time to time between Viacom and such US-Canadian Lender).

SECTION 2.3. Competitive Bid Procedure.

(a) In order to request Competitive Bids, the relevant Borrower shall hand deliver or telecopy to the Administrative Agent a duly completed Competitive Bid Request in the form of Exhibit B-1, to be received by the Administrative Agent (i) in the case of a Eurocurrency Competitive Loan in Dollars, not later than 10:00 a.m., New York City time, four Business Days before a proposed Competitive Loan, (ii) in the case of a Eurocurrency Competitive Loan in a Foreign Currency, not later than 10:00 a.m., New York City time, five Business Days before a proposed Competitive Loan, (iii) in the case of an Absolute Rate Loan in Dollars, not later than 10:00 a.m., New York City time, one Business Day before a proposed Competitive Loan and (iv) in the case of an Absolute Rate Loan in a Foreign Currency, not later than 10:00 a.m., New York City time, three Business Day before a proposed Competitive Loan. A Competitive Bid Request (A) that does not conform substantially to the format of Exhibit B-1 may be rejected in the Administrative Agent's discretion (exercised in good faith), and, (B) for a Competitive Loan denominated in a Foreign Currency will be rejected by the Administrative Agent if, after giving effect thereto, the Dollar equivalent of the aggregate face amount of all Competitive Loans denominated in Foreign Currencies then outstanding would exceed \$150,000,000, as determined by the Administrative Agent, and, in each case, the Administrative Agent shall promptly notify the relevant Borrower of such rejection by telephone, confirmed by telecopier. Such request shall in each case refer to this Agreement and specify (w) whether the Competitive Loan then being requested is to be a Eurocurrency Competitive Loan or an Absolute Rate Loan, (x) the currency, (y) the date of such Loan (which shall be a Business Day) and the aggregate principal amount thereof which shall be in a minimum principal amount of the equivalent of \$5,000,000 and, in the case of a Competitive Bid for a Competitive Loan in Dollars, in an integral multiple of \$1,000,000, and (z) the Interest Period with respect thereto (which may not end after the Revolving Credit Maturity Date). Promptly after its receipt of a Competitive Bid Request that is not rejected as aforesaid (and in any event by 5:00 p.m., New York City time, on the date of such

receipt if such receipt occurs by the time specified in the first sentence of this paragraph), the Administrative Agent shall invite by telecopier (in the form set forth in Exhibit B-2) the Lenders to bid, on the terms and conditions of this Agreement, to make Competitive Loans pursuant to such Competitive Bid Request.

(b) Each Lender may, in its sole discretion, make one or more Competitive Bids to the relevant Borrower responsive to a Competitive Bid Request. Each Competitive Bid must be received by the Administrative Agent by telecopier, in the form of Exhibit B-3, (i) in the case of a Eurocurrency Competitive Loan in Dollars, not later than 9:30 a.m., New York City time, three Business Days before a proposed Competitive Loan, (ii) in the case of a Eurocurrency Competitive Loan in a Foreign Currency, not later than 9:30 a.m., New York City time, four Business Days before a proposed Competitive Loan, (iii) in the case of an Absolute Rate Loan in Dollars, not later than 9:30 a.m., New York City time, on the day of a proposed Competitive Loan, and (iv) in the case of an Absolute Rate Loan in a Foreign Currency, not later than 9:30 a.m., New York City time, two days before a proposed Competitive Loan. Multiple Competitive Bids will be accepted by the Administrative Agent. Competitive Bids that do not conform substantially to the format of Exhibit B-3 may be rejected by the Administrative Agent after conferring with, and upon the instruction of, the relevant Borrower, and the Administrative Agent shall notify the Lender making such nonconforming Competitive Bid of such rejection as soon as practicable. Each Competitive Bid shall refer to this Agreement and specify (x) the principal amount in the relevant currency (which shall be in a minimum principal amount of the equivalent of \$5,000,000 and, in the case of a Competitive Bid for a Competitive Loan in Dollars, in an integral multiple of \$1,000,000 and which may equal the entire principal amount of the Competitive Loan requested by the relevant Borrower) of the Competitive Loan or Loans that the applicable Lender is willing to make to the relevant Borrower, (y) the Competitive Bid Rate or Rates at which such Lender is prepared to make the Competitive Loan or Loans and (z) the Interest Period and the last day thereof. A Competitive Bid submitted pursuant to this paragraph (b) shall be irrevocable (subject to the satisfaction of the conditions to borrowing set forth in Article IV).

(c) The Administrative Agent shall promptly (and in any event by 10:15 a.m., New York City time, on the date on which such Competitive Bids shall have been made) notify the relevant Borrower by telecopier of all the Competitive Bids made, the Competitive Bid Rate and the principal amount in the relevant currency of each Competitive Loan in respect of which a Competitive Bid was made and the identity of the Lender that made each Competitive Bid. The Administrative Agent shall send a copy of all Competitive Bids to the relevant Borrower for its records as soon as practicable after completion of the bidding process set forth in this Section 2.3.

(d) The relevant Borrower may in its sole and absolute discretion, subject only to the provisions of this paragraph (d), accept or reject any Competitive Bid referred to in paragraph (c) above. The relevant Borrower shall notify the Administrative Agent by telephone, confirmed by telecopier in such form as may be agreed upon by such Borrower and the Administrative Agent, whether and to what extent it has decided to accept or reject any of or all the Competitive Bids referred to in paragraph (c) above, (i) in the case of a Eurocurrency Competitive Loan in Dollars, not later than 11:00 a.m., New York City time, three Business Days before a proposed Competitive Loan, (ii) in the case of a Eurocurrency Competitive Loan in a Foreign Currency,

not later than 11:00 a.m., New York City time, four Business Days before a proposed Competitive Loan, (iii) in the case of an Absolute Rate Loan in Dollars, not later than 11:00 a.m., New York City time, on the day of a proposed Competitive Loan, and (iv) in the case of an Absolute Rate Loan in a Foreign Currency, not later than 11:00 a.m., New York City time, on the day before a proposed Competitive Loan; provided, however, that (A) the failure by such Borrower to give such notice shall be deemed to be a rejection of all the Competitive Bids referred to in paragraph (c) above, (B) such Borrower shall not accept a Competitive Bid made at a particular Competitive Bid Rate if it has decided to reject a Competitive Bid made at a lower Competitive Bid Rate, (C) the aggregate amount of the Competitive Bids accepted by such Borrower shall not exceed the principal amount specified in the Competitive Bid Request (but may be less than that requested), (D) if such Borrower shall accept a Competitive Bid or Competitive Bids made at a particular Competitive Bid Rate but the amount of such Competitive Bid or Competitive Bids shall cause the total amount of Competitive Bids to be accepted by it to exceed the amount specified in the Competitive Bid Request, then such Borrower shall accept a portion of such Competitive Bid or Competitive Bids in an amount equal to the amount specified in the Competitive Bid Request less the amount of all other Competitive Bids accepted with respect to such Competitive Bid Request, which acceptance, in the case of multiple Competitive Bids at such Competitive Bid Rate, shall be made pro rata in accordance with the amount of each such Competitive Bid at such Competitive Bid Rate, and (E) except pursuant to clause (D) above no Competitive Bid shall be accepted for a Competitive Loan unless such Competitive Loan is in a minimum principal amount of the equivalent of \$5,000,000 and, in the case of a Competitive Bid for a Competitive Loan in Dollars, an integral amount multiple of \$1,000,000; provided, further, however, that if a Competitive Loan must be in an amount less than the equivalent of \$5,000,000 because of the provisions of clause (D) above, such Competitive Loan may be for a minimum of, in the case of a Competitive Bid for a Competitive Loan in Dollars, \$1,000,000 or any integral multiple thereof, and in calculating the pro rata allocation of acceptances of portions of multiple Competitive Bids at a particular Competitive Bid Rate pursuant to clause (D) above the amounts shall be rounded to integral multiples of the equivalent of \$1,000,000 (or, in the case of a Competitive Bid for a Competitive Loan in a Foreign Currency, a multiple selected by the Administrative Agent) in a manner which shall be in the discretion of such Borrower. A notice given by any Borrower pursuant to this paragraph (d) shall be irrevocable.

(e) The Administrative Agent shall promptly notify each bidding Lender whether or not its Competitive Bid has been accepted (and if so, in what amount and at what Competitive Bid Rate) by telecopy sent by the Administrative Agent, and each successful bidder will thereupon become bound, subject to the other applicable conditions hereof, to make the Competitive Loan in respect of which its Competitive Bid has been accepted.

(f) On the date the Competitive Loan is to be made, each Lender participating therein shall (i) if such Competitive Loan is to be made in Dollars, make available its share of such Competitive Loan in Dollars not later than 2:00 p.m. New York City time, in immediately available funds, in New York to the Administrative Agent as notified by the Administrative Agent by two Business Days notice and (ii) if such Competitive Loan is to be made in a Foreign Currency, make available its share of such Competitive Loan in such Foreign Currency not later

than 11:00 a.m. London time, in immediately available funds, in London to the Administrative Agent as notified by the Administrative Agent by two Business Days notice.

(g) If the Lender which is the Administrative Agent shall elect to submit a Competitive Bid in its capacity as a Lender, it shall submit such Competitive Bid directly to the relevant Borrower at least one quarter of an hour earlier than the latest time at which the other Lenders are required to submit their Competitive Bids to the Administrative Agent pursuant to paragraph (b) above.

(h) All notices required by this Section 2.3 shall be given in accordance with Section 9.1.

(i) No Borrower shall have the right to prepay any Competitive Loan without the consent of the Lender or Lenders making such Competitive Loan.

SECTION 2.4. Revolving Credit Loan Borrowing Procedure.

In order to request a Revolving Credit Loan or a US\$-Canadian Loan, the relevant Borrower shall hand deliver or telecopy to the Administrative Agent a Borrowing Request in the form of Exhibit B-4 (a) in the case of a Eurocurrency Revolving Loan denominated in Dollars or a Eurocurrency US\$-Canadian Loan, not later than 11:00 a.m., New York City time, three Business Days before a proposed borrowing, (b) in the case of a Multi-Currency Revolving Loan, 8:00 a.m. New York City time three Business Days before a proposed borrowing, and (c) in the case of an ABR Revolving Loan or an ABR US\$-Canadian Loan, not later than 11:00 a.m., New York City time, on the day of a proposed borrowing. Such notice shall be irrevocable and shall in each case specify (i) whether the Revolving Credit Loan or US\$-Canadian Loan, as applicable, then being requested is to bear interest at the Eurocurrency Rate or the Alternate Base Rate, (ii) the date of such Revolving Credit Loan or US\$-Canadian Loan (which shall be a Business Day) and the amount thereof; (iii) in the case of a Eurocurrency Revolving Loan or a Eurocurrency US\$-Canadian Loan, the Interest Period with respect thereto, and (iv) in the case of a Multi-Currency Revolving Loan, the currency in which such Loan shall be denominated. The Administrative Agent shall promptly advise the relevant Lenders and US-Canadian Lenders of any notice given pursuant to this Section 2.4 and of each Lender's or US-Canadian Lender's, as applicable, portion of the requested Loan.

SECTION 2.5. Repayment of Loans.

Each Borrower shall repay all outstanding Revolving Credit Loans, US\$-Canadian Loans and ABR Swingline Loans made to it, in each case on the Revolving Credit Maturity Date (or such earlier date on which the Commitments shall terminate in accordance herewith). Each Borrower shall repay Quoted Swingline Loans and Competitive Loans made to it, in each case on the Maturity Date applicable thereto. Each Loan above shall bear interest from and including the date thereof on the outstanding principal balance thereof as set forth in Section 2.10.

SECTION 2.6. Swingline Loans.

(a) Subject to the terms and conditions hereof and relying upon the representations and warranties herein set forth, each Swingline Lender agrees, severally and not jointly, at any time and from time to time on and after the Closing Date and until the earlier of the Business Day immediately preceding the Revolving Credit Maturity Date and the termination of the Swingline Commitment of such Swingline Lender, (i) to make available to any Swingline Borrower Swingline Loans ("Quoted Swingline Loans") on the basis of quoted interest rates (each, a "Quoted Swingline Rate") furnished by such Swingline Lender from time to time in its discretion to such Swingline Borrower (through the Administrative Agent) and accepted by such Swingline Borrower in its discretion and (ii) to make Swingline Loans ("ABR Swingline Loans") to any Swingline Borrower bearing interest at a rate equal to the Alternate Base Rate in an aggregate principal amount (in the case of this clause (ii)) not to exceed such Swingline Lender's Swingline Commitment. The aggregate outstanding principal amount of the Quoted Swingline Loans of any Swingline Lender, when added to the aggregate outstanding principal amount of the ABR Swingline Loans of such Swingline Lender, may exceed such Swingline Lender's Swingline Commitment; provided, that in no event shall the aggregate outstanding principal amount of the Swingline Loans exceed the aggregate Swingline Commitments then in effect. Each Quoted Swingline Loan shall be made only by the Swingline Lender furnishing the relevant Quoted Swingline Rate. Each ABR Swingline Loan shall be made by the Swingline Lenders ratably in accordance with their respective Swingline Percentages. The Swingline Loans shall be made in a minimum aggregate principal amount of \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof (or an aggregate principal amount equal to the remaining balance of the available Swingline Commitments). Each Swingline Lender shall make the portion of each Swingline Loan to be made by it available to any Swingline Borrower by means of a credit to the general deposit account of such Swingline Borrower with the Administrative Agent or a wire transfer, at the expense of such Swingline Borrower, to an account designated in writing by such Swingline Borrower, in each case by 3:30 p.m., New York City time, on the date such Swingline Loan is requested to be made pursuant to paragraph (b) below, in immediately available funds. Each Swingline Borrower may borrow, prepay and reborrow Swingline Loans on or after the Closing Date and prior to the Revolving Credit Maturity Date (or such earlier date on which the Commitments shall terminate in accordance herewith) on the terms and subject to the conditions and limitations set forth herein.

(b) The relevant Swingline Borrower shall give the Administrative Agent telephonic, written or telecopy notice substantially in the form of Exhibit B-5 (in the case of telephonic notice, such notice shall be promptly confirmed by telecopy) no later than 2:30 p.m., New York City time (or, in the case of a proposed Quoted Swingline Loan, 12:00 noon, New York City time), on the day of a proposed Swingline Loan. Such notice shall be delivered on a Business Day, shall be irrevocable (subject, in the case of Quoted Swingline Loans, to receipt by the relevant Swingline Borrower of Quoted Swingline Rates acceptable to it) and shall refer to this Agreement and shall specify the requested date (which shall be a Business Day) and amount of such Swingline Loan. The Administrative Agent shall promptly advise the Swingline Lenders of any notice received from any Swingline Borrower pursuant to this paragraph (b). In the event that a Swingline Borrower accepts a Quoted Swingline Rate in respect of a proposed Quoted Swingline Loan, it shall notify the Administrative Agent (which shall in turn notify the relevant

Swingline Lender) of such acceptance no later than 2:30 p.m., New York City time, on the relevant borrowing date.

(c) In the event that any ABR Swingline Loan shall be outstanding for more than five Business Days, the Administrative Agent shall, on behalf of the relevant Swingline Borrower (which hereby irrevocably directs and authorizes the Administrative Agent to act on its behalf), request each Lender, including the Swingline Lenders, to make an ABR Revolving Loan in an amount equal to such Lender's Revolving Credit Percentage of the principal amount of such ABR Swingline Loan. Unless an event described in Article VI, paragraph (f) or (g), has occurred and is continuing, each Lender will make the proceeds of its Revolving Credit Loan available to the Administrative Agent for the account of the Swingline Lenders at the office of the Administrative Agent prior to 12:00 Noon, New York City time, in funds immediately available on the Business Day next succeeding the date such notice is given. The proceeds of such Revolving Credit Loans shall be immediately applied to repay the ABR Swingline Loans.

(d) A Swingline Lender that has made an ABR Swingline Loan to a Borrower may at any time and for any reason, so long as Revolving Credit Loans have not been made pursuant to Section 2.6(c) to repay such ABR Swingline Loan as required by said Section, by written notice given to the Administrative Agent not later than 12:00 noon New York City time on any Business Day require the Lenders to acquire participations on such Business Day in all or a portion of such unrefunded ABR Swingline Loans (the "Unrefunded Swingline Loans"), and each Lender severally, unconditionally and irrevocably agrees that it shall purchase an undivided participating interest in such ABR Swingline Loan in an amount equal to the amount of the Revolving Credit Loan which otherwise would have been made by such Lender pursuant to Section 2.6(c), which purchase shall be funded by the time such Revolving Credit Loan would have been required to be made pursuant to Section 2.6(c). In the event that the Lenders purchase undivided participating interests pursuant to the first sentence of this paragraph (d), each Lender shall immediately transfer to the Administrative Agent, for the account of such Swingline Lenders, in immediately available funds the amount of its participation. Any Lender holding a participation in an Unrefunded Swingline Loan may exercise any and all rights of banker's lien, setoff or counterclaim with respect to any and all moneys owing by the relevant Swingline Borrower to such Lender by reason thereof as fully as if such Lender had made a Loan directly to such Swingline Borrower in the amount of such participation.

(e) Whenever, at any time after any Swingline Lender has received from any Lender such Lender's participating interest in an ABR Swingline Loan, such Swingline Lender receives any payment on account thereof, such Swingline Lender will promptly distribute to such Lender its participating interest in such amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's participating interest was outstanding and funded); provided, however, that in the event that such payment received by such Swingline Lender is required to be returned, such Lender will return to such Swingline Lender any portion thereof previously distributed by such Swingline Lender to it.

(f) Notwithstanding anything to the contrary in this Agreement, each Lender's obligation to make the Revolving Credit Loans referred to in Section 2.6(c) and to purchase and fund participating interests pursuant to Section 2.6(d) shall be absolute and unconditional and shall not be affected by any circumstance, including, without limitation, (i) any setoff,

counterclaim, recoupment, defense or other right which such Lender or any Swingline Borrower may have against any Swingline Lender, any Swingline Borrower or any other Person for any reason whatsoever; (ii) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the conditions specified in Article IV; (iii) any adverse change in the condition (financial or otherwise) of Viacom or any of its Subsidiaries; (iv) any breach of this Agreement by any Borrower or any Lender; or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

(g) Upon written or telecopy notice to the Swingline Lenders and to the Administrative Agent, Viacom may at any time terminate, from time to time in part reduce, or from time to time (with the approval of the relevant Swingline Lender) increase, the Swingline Commitment of any Swingline Lender. At any time when there shall be fewer than ten Swingline Lenders, Viacom may appoint from among the Lenders a new Swingline Lender, subject to the prior consent of such new Swingline Lender and prior notice to the Administrative Agent, so long as at no time shall there be more than ten Swingline Lenders. Notwithstanding anything to the contrary in this Agreement, (i) if any ABR Swingline Loans shall be outstanding at the time of any termination, reduction, increase or appointment pursuant to the preceding two sentences, the Swingline Borrowers shall on the date thereof prepay or borrow ABR Swingline Loans to the extent necessary to ensure that at all times the outstanding ABR Swingline Loans held by the Swingline Lenders shall be pro rata according to the respective Swingline Commitments of the Swingline Lenders and (ii) in no event may the aggregate Swingline Commitments exceed \$300,000,000. On the date of any termination or reduction of the Swingline Commitments pursuant to this paragraph (g), the Swingline Borrowers shall pay or prepay so much of the Swingline Loans as shall be necessary in order that, after giving effect to such termination or reduction, (i) the aggregate outstanding principal amount of the ABR Swingline Loans of any Swingline Lender will not exceed the Swingline Commitment of such Swingline Lender and (ii) the aggregate outstanding principal amount of all Swingline Loans will not exceed the aggregate Swingline Commitments.

(h) Each Swingline Borrower may prepay any Swingline Loan in whole or in part at any time without premium or penalty; provided, that such Swingline Borrower shall have given the Administrative Agent written or telecopy notice (or telephone notice promptly confirmed in writing or by telecopy) of such prepayment not later than 10:30 a.m., New York City time, on the Business Day designated by such Swingline Borrower for such prepayment; and provided, further, that each partial payment shall be in an amount that is an integral multiple of \$1,000,000. Each notice of prepayment under this paragraph (h) shall specify the prepayment date and the principal amount of each Swingline Loan (or portion thereof) to be prepaid, shall be irrevocable and shall commit such Swingline Borrower to prepay such Swingline Loan (or portion thereof) by the amount stated therein on the date stated therein. All prepayments under this paragraph (h) shall be accompanied by accrued interest on the principal amount being prepaid to the date of payment. Each payment of principal or interest on ABR Swingline Loans shall be allocated, as between the Swingline Lenders, pro rata in accordance with their respective Swingline Percentages.

(i) All Swingline Loans shall be made in Dollars.

SECTION 2.7. Letters of Credit.

(a) Subject to the terms and conditions hereof and relying upon the representations and warranties herein set forth, each Issuing Lender agrees, at any time and from time to time on or after the Closing Date until the earlier of (i) the fifth Business Day preceding the Revolving Credit Maturity Date and (ii) the termination of the Revolving Commitments in accordance with the terms hereof, to issue and deliver or to extend the expiry of Letters of Credit for the account of any Borrower in an aggregate outstanding undrawn amount which does not exceed the maximum amount specified in the applicable Issuing Lender Agreement; provided, that in no event shall the Aggregate LC Exposure exceed \$750,000,000 at any time. Each Letter of Credit (i) shall be in a form approved in writing by the applicable Borrower and the applicable Issuing Lender and (ii) shall permit drawings upon the presentation of such documents as shall be specified by such Borrower in the applicable notice delivered pursuant to paragraph (c) below. The Lenders agree that, subject to compliance with the conditions precedent set forth in Section 4.3, any Designated Letter of Credit may be designated as a Letter of Credit hereunder from time to time on or after the Closing Date pursuant to the procedures specified in the definition of "Designated Letters of Credit".

(b) Each Letter of Credit shall by its terms expire not later than the fifth Business Day preceding the Revolving Credit Maturity Date. Any Letter of Credit may provide for the renewal thereof for additional periods (which shall in no event extend beyond the date referred to in the preceding sentence). Each Letter of Credit shall by its terms provide for payment of drawings in Dollars or in a Foreign Currency; provided, that a Letter of Credit denominated in a Foreign Currency may not be issued if, after giving effect thereto, the Dollar equivalent (calculated on the basis of the applicable Foreign Exchange Rate) of the aggregate face amount of all Letters of Credit denominated in Foreign Currencies then outstanding would exceed \$150,000,000, as determined by the Administrative Agent acting in good faith.

(c) The applicable Borrower shall give the applicable Issuing Lender and the Administrative Agent written or telecopy notice not later than 10:00 a.m., New York City time, three Business Days (or such shorter period as shall be acceptable to such Issuing Lender) prior to any proposed issuance of a Letter of Credit. Each such notice shall refer to this Agreement and shall specify (i) the date on which such Letter of Credit is to be issued (which shall be a Business Day) and the face amount of such Letter of Credit, (ii) the name and address of the beneficiary, (iii) whether such Letter of Credit is a Financial Letter of Credit or a Non-Financial Letter of Credit (subject to confirmation of such status by the Administrative Agent), (iv) whether such Letter of Credit shall permit a single drawing or multiple drawings, (v) the form of the documents required to be presented at the time of any drawing (together with the exact wording of such documents or copies thereof), (vi) the expiry date of such Letter of Credit (which shall conform to the provisions of paragraph (b) above) and (vii) if such Letter of Credit is to be in a Foreign Currency, the relevant Foreign Currency. The Administrative Agent shall give to each Lender prompt written or telecopy advice of the issuance of any Letter of Credit. Each determination by the Administrative Agent as to whether or not a Letter of Credit constitutes a Financial Letter of Credit shall be conclusive and binding upon the applicable Borrower and the Lenders.

(d) By the issuance of a Letter of Credit and without any further action on the part of the applicable Issuing Lender or the Lenders in respect thereof, the applicable Issuing Lender hereby grants to each Lender, and each Lender hereby acquires from such Issuing Lender, a participation in such Letter of Credit equal to such Lender's Revolving Credit Percentage at the time of any drawing thereunder of the stated amount of such Letter of Credit, effective upon the issuance of such Letter of Credit. In addition, the applicable Issuing Lender hereby grants to each Lender, and each Lender hereby acquires from such Issuing Lender, a participation in each Designated Letter of Credit equal to such Lender's Revolving Credit Percentage at the time of any drawing thereunder of the stated amount of such Designated Letter of Credit, effective on the date such Designated Letter of Credit is designated as a Letter of Credit hereunder. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of each Issuing Lender, in accordance with paragraph (f) below, such Lender's Revolving Credit Percentage of each unreimbursed LC Disbursement made by such Issuing Lender; provided, however, that the Lenders shall not be obligated to make any such payment with respect to any payment or disbursement made under any Letter of Credit to the extent resulting from the gross negligence or willful misconduct of such Issuing Lender.

(e) Each Lender acknowledges and agrees that its acquisition of participations pursuant to paragraph (d) above in respect of Letters of Credit shall be absolute and unconditional and shall not be affected by any circumstance, including, without limitation, (i) any setoff, counterclaim, recoupment, defense or other right which such Lender or the applicable Borrower may have against any Issuing Lender, any Borrower or any other Person, for any reason whatsoever; (ii) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the conditions specified in Article IV; (iii) any adverse change in the condition (financial or otherwise) of the applicable Borrower; (iv) any breach of this Agreement by any Borrower or any Lender; or (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

(f) On the date on which it shall have ascertained that any documents presented under a Letter of Credit appear to be in conformity with the terms and conditions of such Letter of Credit, the applicable Issuing Lender shall give written or telecopy notice to the applicable Borrower and the Administrative Agent of the amount of the drawing and the date on which payment thereon has been or will be made. If the applicable Issuing Lender shall not have received from the applicable Borrower the payment required pursuant to paragraph (g) below by 12:00 noon, New York City time, two Business Days after the date on which payment of a draft presented under any Letter of Credit has been made, such Issuing Lender shall so notify the Administrative Agent, which shall in turn promptly notify each Lender, specifying in the notice to each Lender such Lender's Revolving Credit Percentage of such LC Disbursement. Each Lender shall pay to the Administrative Agent, not later than 2:00 p.m., New York City time, on such second Business Day, such Lender's Revolving Credit Percentage of such LC Disbursement (which obligation shall be expressed in Dollars only), which the Administrative Agent shall promptly pay to the applicable Issuing Lender. The Administrative Agent will promptly remit to each Lender such Lender's Revolving Credit Percentage of any amounts subsequently received by the Administrative Agent from the applicable Borrower in respect of such LC Disbursement; provided, that (i) amounts so received for the account of any Lender

prior to payment by such Lender of amounts required to be paid by it hereunder in respect of any LC Disbursement and (ii) amounts representing interest at the rate provided in paragraph (g) below on any LC Disbursement for the period prior to the payment by such Lender of such amounts shall in each case be remitted to the applicable Issuing Lender.

(g) If an Issuing Lender shall pay any draft presented under a Letter of Credit, the applicable Borrower shall pay to such Issuing Lender an amount equal to the amount of such draft before 12:00 noon, New York City time, on the second Business Day immediately following the date of payment of such draft, together with interest (if any) on such amount at a rate per annum equal to the interest rate in effect for ABR Loans (or, in the case of Foreign Currency denominated Letters of Credit, the rate which would reasonably and customarily be charged by such Issuing Lender on outstanding loans denominated in the relevant Foreign Currency) from (and including) the date of payment of such draft to (but excluding) the date on which such Borrower shall have repaid, or the Lenders shall have refunded, such draft in full (which interest shall be payable on such second Business Day and from time to time thereafter on demand until such Borrower shall have repaid, or the Lenders shall have refunded, such draft in full). In the event that such drawing shall be refunded by the Lenders as provided in Section 2.7(f), the applicable Borrower shall pay to the Administrative Agent, for the account of the Lenders, quarterly on the last day of each March, June, September and December, interest on the amount so refunded at a rate per annum equal to the interest rate in effect for ABR Loans from (and including) the date of such refunding to (but excluding) the date on which the amount so refunded by the Lenders shall have been paid in full in Dollars by such Borrower. Each payment made to an Issuing Lender by the applicable Borrower pursuant to this paragraph shall be made at such Issuing Lender's address for notices specified herein in lawful money of (x) the United States of America (in the case of payments made on Dollar-denominated Letters of Credit) or (y) the applicable foreign jurisdiction (in the case of payments on Foreign Currency-denominated Letters of Credit) and in immediately available funds. The obligation of the applicable Borrower to pay the amounts referred to above in this paragraph (g) (and the obligations of the Lenders under paragraphs (d) and (f) above) shall be absolute, unconditional and irrevocable and shall be satisfied strictly in accordance with their terms irrespective of:

(i) any lack of validity or enforceability of any Letter of Credit or any Issuing Lender Agreement or of the obligations of any Borrower under this Agreement or any Issuing Lender Agreement;

(ii) the existence of any claim, setoff, defense or other right which any Borrower or any other Person may at any time have against the beneficiary under any Letter of Credit, the Agents, any Issuing Lender or any Lender (other than the defense of payment in accordance with the terms of this Agreement or a defense based on the gross negligence or willful misconduct of the applicable Issuing Lender) or any other Person in connection with this Agreement or any other transaction;

(iii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect; provided, that payment by the applicable Issuing Lender under such Letter of Credit against presentation of such

draft or document shall not have constituted gross negligence or willful misconduct;

(iv) payment by the applicable Issuing Lender under a Letter of Credit against presentation of a draft or other document which does not comply in any immaterial respect with the terms of such Letter of Credit; provided, that such payment shall not have constituted gross negligence or willful misconduct; or

(v) any other circumstance or event whatsoever, whether or not similar to any of the foregoing; provided, that such other circumstance or event shall not have been the result of gross negligence or willful misconduct of the applicable Issuing Lender.

It is understood that in making any payment under a Letter of Credit

(x) such Issuing Lender's exclusive reliance on the documents presented to it under such Letter of Credit as to any and all matters set forth therein, including reliance on the amount of any draft presented under such Letter of Credit, whether or not the amount due to the beneficiary thereof equals the amount of such draft and whether or not any document presented pursuant to such Letter of Credit proves to be forged, fraudulent or invalid in any respect, if such document on its face appears to be in order, and whether or not any other statement or any other document presented pursuant to such Letter of Credit proves to be forged or invalid or any statement therein proves to be inaccurate or untrue in any respect whatsoever, and (y) any noncompliance in any immaterial respect of the documents presented under a Letter of Credit with the terms thereof shall, in either case, not, in and of itself, be deemed willful misconduct or gross negligence of such Issuing Lender.

(h) (i) Notwithstanding anything to the contrary contained in this Agreement, for purposes of calculating any LC Fee payable in respect of any Business Day, the Administrative Agent shall convert the amount available to be drawn under any Letter of Credit denominated in Foreign Currency into an amount of Dollars based upon the relevant Foreign Exchange Rate in effect for such day. If on any date the Administrative Agent shall notify the applicable Borrower that, by virtue of any change in the Foreign Exchange Rate of any Foreign Currency in which a Letter of Credit is denominated, the Total Revolving Facility Exposure shall exceed the Total Revolving Commitment then in effect, then, within three Business Days after the date of such notice, such Borrower shall prepay the Revolving Credit Loans and/or the Swingline Loans to the extent necessary to eliminate such excess. Each Issuing Lender which has issued a Letter of Credit denominated in a Foreign Currency agrees to notify the Administrative Agent of the average daily outstanding amount thereof for any period in respect of which LC Fees are payable and, upon request by the Administrative Agent, for any other date or period. For all purposes of this Agreement, determinations by the Administrative Agent of the Dollar equivalent of any amount expressed in a Foreign Currency shall be made on the basis of Foreign Exchange Rates reset monthly (or on such other periodic basis as shall be selected by the Administrative Agent in its sole discretion) and shall in each case be conclusive absent manifest error.

(ii) Notwithstanding anything to the contrary contained in this Section 2.7, prior to demanding any reimbursement from the Lenders pursuant to Section 2.7(f) in respect of any Letter of Credit denominated in a Foreign Currency, the relevant Issuing Lender shall convert the

obligation of the applicable Borrower under Section 2.7(g) to reimburse such Issuing Lender in such Foreign Currency into an obligation to reimburse such Issuing Lender (and, in turn, the Lenders) in Dollars. The amount of any such converted obligation shall be computed based upon the relevant Foreign Exchange Rate (as quoted by the Administrative Agent to such Issuing Lender) in effect for the day on which such conversion occurs.

SECTION 2.8. Conversion and Continuation Options.

(a) The relevant Borrower may elect from time to time to (i) convert Eurocurrency Revolving Loans denominated in Dollars (or, subject to Section 2.10(f), a portion thereof) to ABR Revolving Loans or (ii) convert Eurocurrency US\$-Canadian Loans (or, subject to Section 2.10(f), a portion thereof) to ABR US\$-Canadian Loans, in each case on the last day of an Interest Period with respect thereto by giving the Administrative Agent prior irrevocable notice of such election. The relevant Borrower may elect from time to time to (x) convert ABR Revolving Loans (subject to Section 2.10(f)) to Eurocurrency Revolving Loans denominated in Dollars or (y) convert ABR US\$-Canadian Loans (subject to Section 2.10(f)) to Eurocurrency US\$-Canadian Loans, in each case by giving the Administrative Agent at least three Business Days' prior irrevocable notice of such election. Any such notice of conversion to Eurocurrency Revolving Loans or Eurocurrency US\$-Canadian Loans shall specify the length of the initial Interest Period therefor. Upon receipt of any such notice the Administrative Agent shall promptly notify each Lender or US-Canadian Lender, as applicable, thereof. All or any part of outstanding Eurocurrency Revolving Loans, ABR Revolving Loans, Eurocurrency US\$-Canadian Loans or ABR US\$-Canadian Loans may be converted as provided herein; provided, that no ABR Revolving Loan or ABR US\$-Canadian Loan may be converted into a Eurocurrency Revolving Loan or Eurocurrency US\$-Canadian Loan, respectively, when any Event of Default has occurred and is continuing and the Administrative Agent has or the Required Facility Lenders with respect to the relevant Facility have determined in its or their sole discretion not to permit such a conversion.

(b) Any Eurocurrency Revolving Loan or Eurocurrency US\$ Canadian Loan (or, in each case, subject to Section 2.10(f), a portion thereof) may be continued as such upon the expiration of the then current Interest Period with respect thereto by the relevant Borrower giving irrevocable notice to the Administrative Agent, not less than three Business Days prior to the last day of the then current Interest Period with respect thereto, of the length of the next Interest Period to be applicable to such Eurocurrency Loans; provided, that no Eurocurrency Revolving Loan or Eurocurrency US\$ Canadian Loan may be continued as such when any Event of Default has occurred and is continuing and the Administrative Agent has or the Required Facility Lenders with respect to the relevant Facility have determined in its or their sole discretion not to permit such a continuation; and provided, further, that if the relevant Borrower shall fail to give any required notice as described above in this paragraph or if such continuation is not permitted pursuant to the preceding proviso such Eurocurrency Revolving Loans or Eurocurrency US\$ Canadian Loans shall be automatically converted to ABR Revolving Loans or ABR US\$ Canadian Loans, respectively, on the last day of such then expiring Interest Period (in the case of Multi-Currency Revolving Loans, such Loan shall be converted to Dollars at the Foreign Exchange Rate on such date before being converted to ABR Revolving Loans). Upon receipt of any notice from a Borrower pursuant to this Section 2.8(b), the Administrative Agent shall promptly notify each Lender or US-Canadian Lender, as applicable, thereof. The Administrative

Agent shall promptly notify the applicable Borrower upon the determination in accordance with this Section 2.8(b), by it or the Required Facility Lenders, not to permit such a continuation.

SECTION 2.9. Fees.

(a) (i) Viacom agrees to pay to the Administrative Agent for the account of each Lender and (ii) Viacom agrees to cause a Canadian Borrower to pay to the Canadian Administrative Agent for the account of each US-Canadian Lender, a Facility Fee for the period from and including the Closing Date to the Revolving Credit Maturity Date (or such earlier date on which the Commitments shall terminate in accordance herewith), computed at a per annum rate equal to the Applicable Facility Fee Rate on such Lender's Commitments or US-Canadian Lender's Canadian Commitments (in each case, whether used or unused); provided that, if such Lender or US-Canadian Lender, as applicable, continues to have any Revolving Facility Exposure or Outstanding Canadian Extensions of Credit, as applicable, after its Commitments terminate, then such Facility Fee shall continue to accrue on the daily amount of such Lender's Revolving Facility Exposure or US-Canadian Lender's Outstanding Canadian Extensions of Credit, as applicable, from and including the date on which its Commitments terminate to but excluding the date on which such Lender or US-Canadian Lender, as applicable, ceases to have any Revolving Facility Exposure or Outstanding Canadian Extensions of Credit, respectively. All Facility Fees shall be computed on the basis of the actual number of days elapsed in a year of 360 days and shall be payable quarterly in arrears on the last day of each March, June, September and December, on the Revolving Credit Maturity Date or such earlier date on which the Commitments shall be terminated, commencing on the first of such dates to occur after the Closing Date.

(b) Viacom agrees to pay each Lender, through the Administrative Agent, on the last day of each March, June, September and December and on the Revolving Credit Maturity Date or the date on which the Revolving Commitment of such Lender shall be terminated as provided herein and all Letters of Credit issued hereunder shall have expired, a letter of credit fee (an "LC Fee") computed at a per annum rate equal to the Applicable LC Fee Rate on such Lender's Revolving Credit Percentage of the average daily undrawn amount of the Financial Letters of Credit or Non-Financial Letters of Credit, as the case may be, outstanding during the preceding quarter (or shorter period commencing with the Closing Date or ending with the Revolving Credit Maturity Date or the date on which the Revolving Commitment of such Lender shall have been terminated and all Letters of Credit issued hereunder shall have expired). All LC Fees shall be computed on the basis of the actual number of days elapsed in a year of 360 days.

(c) Viacom agrees to pay to the Administrative Agent, for its own account, the administrative agent's fees ("Administrative Agent's Fees") provided for in the Administrative Agent Fee Letter at the times provided therein.

(d) Each Borrower agrees to pay to each Issuing Lender, through the Administrative Agent, for its own account, the applicable Issuing Lender Fees, including, without limitation, a fronting fee at a rate to be determined by the relevant Borrower and the relevant Issuing Lender payable on the last day of each March, June, September and December to such Issuing Lender for the period from and including the date of issuance of such Letter of Credit to, but not including, the termination date of such Letter of Credit.

(e) (i) Viacom agrees to pay to the Administrative Agent for the account of each Lender and (ii) Viacom agrees to cause a Canadian Borrower to pay to the Canadian Administrative Agent for the account of each US-Canadian Lender, on each Interest Payment Date for ABR Loans, a utilization fee (a "Utilization Fee") at a rate per annum equal to the Applicable Utilization Fee Rate for each Excess Utilization Day during the period covered by such Interest Payment Date on such Lender's Revolving Facility Exposure or US-Canadian Lender's Outstanding Canadian Extensions of Credit, as applicable, on such Excess Utilization Day. All Utilization Fees shall be computed on the basis of the actual number of days elapsed in a year of 360 days and shall be payable in arrears.

(f) All Fees shall be paid on the dates due, in immediately available funds, to the Administrative Agent (or the Canadian Administrative Agent, as applicable) for distribution, if and as appropriate, among the relevant Lenders and US-Canadian Lenders or to the Issuing Lenders. Once paid, none of the Fees shall be refundable under any circumstances (other than corrections of errors in payment).

SECTION 2.10. Interest on Loans; Eurocurrency Tranches; Etc.

(a) Subject to the provisions of Section 2.11, Eurocurrency Loans shall bear interest (computed on the basis of the actual number of days elapsed over a year of 360 days) at a rate per annum equal to (i) in the case of each Eurocurrency Revolving Loan and each Eurocurrency US\$-Canadian Loan, the Eurocurrency Rate for the Interest Period in effect for such Loan plus the Applicable Eurocurrency Margin and (ii) in the case of each Eurocurrency Competitive Loan, the Eurocurrency Rate for the Interest Period in effect for such Loan plus the Margin offered by the Lender making such Loan and accepted by the relevant Borrower pursuant to Section 2.3. The Eurocurrency Rate for each Interest Period shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error. The Administrative Agent shall promptly advise the relevant Borrower and the relevant Lenders or US-Canadian Lenders, as applicable, of such determination.

(b) Subject to the provisions of Section 2.11, ABR Loans shall bear interest (computed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as the case may be, when determined by reference to the Prime Rate and over a year of 360 days at all other times) at a rate per annum equal to the Alternate Base Rate. The Alternate Base Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

(c) Subject to the provisions of Section 2.11, Quoted Swingline Loans shall bear interest (computed on the basis of the actual number of days elapsed over a year of 360 days) at a rate per annum equal to the relevant Quoted Swingline Rate.

(d) Subject to the provisions of Section 2.11, each Absolute Rate Loan shall bear interest at a rate per annum (computed on the basis of the actual number of days elapsed over a year of 360 days) equal to the fixed rate of interest offered by the Lender making such Loan and accepted by the relevant Borrower pursuant to Section 2.3.

(e) Interest on each Loan shall be payable on each applicable Interest Payment Date.

(f) Notwithstanding anything to the contrary in this Agreement, all borrowings, conversions, continuations, repayments and prepayments of Eurocurrency Revolving Loans or Eurocurrency US\$-Canadian Loans, as applicable, hereunder and all selections of Interest Periods hereunder in respect of Eurocurrency Revolving Loans or Eurocurrency US\$-Canadian Loans, as applicable, shall be in such amounts and shall be made pursuant to such elections so that, after giving effect thereto, the aggregate principal amount of the Eurocurrency Revolving Loans or Eurocurrency US\$-Canadian Loans, as applicable, comprising each Eurocurrency Tranche shall be equal to \$50,000,000 (or the Dollar equivalent thereof) or a whole multiple of \$5,000,000 (or the Dollar equivalent thereof) in excess thereof. Unless otherwise agreed by the Administrative Agent, in no event shall there be more than 25 Eurocurrency Tranches outstanding at any time.

(g) If no election as to the Type of Revolving Credit Loan or US\$-Canadian Loan is specified in any notice of borrowing with respect thereto, then the requested Loan shall be an ABR Loan, unless such request is for a Revolving Credit Loan denominated in a Multi-Currency. If no Interest Period with respect to a Eurocurrency Revolving Loan or a Eurocurrency US\$-Canadian Loan is specified in any notice of borrowing, conversion or continuation, then an Interest Period of one month's duration shall be deemed to have been selected. The Interest Period with respect to a Eurocurrency Competitive Loan shall in no case be less than one month's duration.

SECTION 2.11. Default Interest.

If all or a portion of the principal amount of any Loan shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), all outstanding Loans (whether or not overdue) shall bear interest at a rate per annum which is equal to the rate that would otherwise be applicable thereto pursuant to the provisions of Section 2.10 plus 2% and (b) if all or a portion of any LC Disbursement, any interest payable on any Loan or LC Disbursement or any Fee or other amount payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to the rate otherwise applicable to ABR Loans pursuant to Section 2.10(b) plus 2%, in each case, with respect to clauses (a) and (b) above, from the date of such non-payment until such amount is paid in full (as well after as before judgment). Notwithstanding the foregoing, if all or a portion of the principal amount of any Loan shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), C\$ Loans shall bear interest at the rate set forth in subsection 3.4(b) of Annex II.

SECTION 2.12. Alternate Rate of Interest.

(a) In the event, and on each occasion, that on the day two Business Days prior to the commencement of any Interest Period for a Eurocurrency Loan (i) the Administrative Agent shall have determined (which determination shall be conclusive and binding upon each Borrower) that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the Eurocurrency Rate for such Interest Period, or

(ii) the Administrative Agent shall have received notice from the Required Facility Lenders in respect of the relevant Facility that the Eurocurrency Rate determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to such Lenders or US-Canadian Lenders, as applicable, (as conclusively certified by such Lenders or US-Canadian Lenders, as applicable) of making or maintaining their affected Loans during such Interest Period, the Administrative Agent shall, as soon as practicable thereafter, give written or teletype notice of such determination to the Borrowers and the Lenders and the US-Canadian Lenders, as relevant. In the event of any such determination, until the Administrative Agent shall have advised the Borrowers and the Lenders and the US-Canadian Lenders, as relevant, that the circumstances giving rise to such notice no longer exist, if applicable to the Facility for which notice was given, (i) any request by a Borrower for a Eurocurrency Competitive Loan pursuant to Section 2.3 to be made after such determination shall be of no force and effect and shall be denied by the Administrative Agent, (ii) any request by a Borrower for a Eurocurrency Revolving Loan denominated in Dollars or a US\$-Canadian Loan to be made after such determination shall be deemed to be a request for an ABR Loan (from the relevant Facility), (iii) any request by a Borrower for a Multi-Currency Revolving Loan to be made after such determination shall be deemed to be a request for an ABR Loan in an aggregate principal amount equal to the Dollar equivalent (as determined by the Foreign Exchange Rate on such date) of the relevant Multi-Currency and (iv) any request by a Borrower for conversion into or a continuation of a Eurocurrency Revolving Loan or a US\$-Canadian Loan pursuant to Section 2.8 to be made after such determination shall have no force and effect (in the case of a requested conversion) or shall be deemed to be a request for a conversion into an ABR Loan (in the case of a requested continuation; provided, that any request for a conversion of a Multi-Currency Revolving Loan shall be deemed to be a request for a conversion into an ABR Loan in an aggregate principal amount equal to the Dollar equivalent (as determined by the Foreign Exchange Rate on such date) of the relevant Multi-Currency. Also, in the event of any such determination, the relevant Borrower shall be entitled, in its sole discretion, if the requested Competitive Loan has not been made, to cancel its acceptance of the Competitive Bids or to cancel its Competitive Bid Request relating thereto. Each determination by the Administrative Agent or the Required Facility Lenders (with respect to such Facility) hereunder shall be conclusive absent manifest error.

SECTION 2.13. Termination, Reduction and Increase of Commitments.

(a) Upon at least three Business Days' prior irrevocable written or teletype notice to the Administrative Agent, Viacom may at any time in whole permanently terminate, or from time to time in part permanently reduce, the Revolving Commitments; provided, however, that (i) each partial reduction of the Revolving Commitments shall be in a minimum principal amount of \$10,000,000 and in integral multiples of \$1,000,000 in excess thereof and (ii) no such termination or reduction shall be made if, after giving effect thereto and to any prepayments of the Loans made on the effective date thereof, (x) the Outstanding Revolving Extensions of Credit of any Lender would exceed such Lender's Commitment then in effect or (y) the Total Revolving Facility Exposure would exceed the Total Revolving Commitment then in effect. The Administrative Agent shall promptly advise the Lenders of any notice given pursuant to this Section 2.13(a).

(b) Except as otherwise provided in Section 2.21, each reduction in the Revolving Commitments hereunder shall be made ratably among the Lenders in accordance with

their respective Commitments. Viacom agrees to pay to the Administrative Agent for the account of the Lenders, on the date of termination or reduction of the Revolving Commitments, the Facility Fees on the amount of the Revolving Commitments so terminated or reduced accrued through the date of such termination or reduction.

(c) Viacom shall have the right at any time and from time to time to increase the Total Revolving Commitments and the Total Canadian Commitments to an aggregate amount, when added to the aggregate amount of Total Commitments (as defined under the 364-Day Credit Agreement) under the 364-Day Credit Agreement, not to exceed \$4,500,000,000 (i) by requesting that one or more banks or other financial institutions not a party to this Agreement become a Lender or a US-Canadian Lender hereunder or (ii) by requesting that any Lender or US-Canadian Lender already party to this Agreement increase the amount of such Lender's Revolving Commitment or such US-Canadian Lender's Canadian Commitment, as applicable; provided, that the addition of any bank or financial institution pursuant to clause (i) above shall be subject to the consent of the Administrative Agent (which consent shall not be unreasonably withheld); provided further, the Revolving Commitment or Canadian Commitment of any bank or other financial institution pursuant to clause (i) above, shall be in an aggregate principal amount at least equal to \$10,000,000; provided further, the amount of the increase of any Lender's Revolving Commitment or US-Canadian Lender's Canadian Commitment, as applicable, pursuant to clause (ii) above when added to the amount of such Lender's Revolving Commitment or such US-Canadian Lender's Canadian Commitment, respectively, before the increase, shall be in an aggregate principal amount at least equal to \$10,000,000.

(d) Any additional bank, financial institution or other entity which elects to become a party to this Agreement and obtain a Revolving Commitment or Canadian Commitment pursuant to clause (c) of this Section 2.13 above shall execute a New Lender Supplement (each, a "New Lender Supplement") with Viacom and the Administrative Agent, substantially in the form of Exhibit G, whereupon such bank, financial institution or other entity (herein called a "New Lender") shall become a Lender or a US-Canadian Lender, as applicable, for all purposes and to the same extent as if originally a party hereto and shall be bound by and entitled to the benefits of this Agreement, and Schedule 1.1 shall be deemed to be amended to add the name and Revolving Commitment or Canadian Commitment, as applicable, of such New Lender. Any additional bank, financial institution or other entity, which elects to obtain a Canadian Commitment, shall also certify that it is a bank listed on Schedule I, Schedule II or Schedule III to the Bank Act (Canada).

(e) Any increase in the Total Revolving Commitment or Total Canadian Commitment pursuant to clause (c)(ii) of this Section 2.13 shall be effective only upon the execution and delivery to Viacom and the Administrative Agent of a commitment increase letter in substantially the form of Exhibit H hereto (a "Commitment Increase Letter"), which Commitment Increase Letter shall be delivered to the Administrative Agent not less than five Business Days prior to the Commitment Increase Date and shall specify (i) the amount of the Revolving Commitment or Canadian Commitment, as applicable, of any bank or financial institution not a party to this agreement which is becoming a Lender or US-Canadian Lender, as applicable, or the amount of any increase in the Revolving Commitment of any Lender or Canadian Commitment of any US-Canadian Lender, as applicable, and (ii) the date such increase is to become effective (the "Commitment Increase Date"). Any Lender which elects to obtain a

Canadian Commitment shall certify that it is a bank listed on Schedule I, Schedule II or Schedule III to the Bank Act (Canada).

(f) Any increase in the Total Revolving Commitment or Total Canadian Commitment, as applicable, pursuant to this Section 2.13 shall not be effective unless:

(i) no Default or Event of Default shall have occurred and be continuing on the Commitment Increase Date;

(ii) each of the representations and warranties made by Viacom and the Subsidiary Borrowers (including the Canadian Borrowers) in Sections 3.1, 3.2, 3.4, 3.5 and 3.6 shall be true and correct in all material respects on the Commitment Increase Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date in which case such representations and warranties shall be true and correct in all material respects as of such earlier date;

(iii) the Administrative Agent shall have received each of (A) a certificate of the corporate secretary or assistant secretary of the Borrowers or the Canadian Borrowers, as applicable, as to the taking of any corporate action necessary in connection with such increase and (B) an opinion or opinions of general counsel to the Borrowers or the Canadian Borrowers, as applicable, as to their corporate power and authority to borrow hereunder after giving effect to such increase and such other matters relating thereto as the Administrative Agent and its counsel may reasonably request.

Each notice requesting an increase in the Total Revolving Commitments or Total Canadian Commitments, as applicable, pursuant to this Section 2.13 shall constitute a certification to the effect set forth in clauses (i) and (ii) of this Section 2.13(f).

(g) Upon a decrease, pursuant to Section 2.13(a) or (b), in the Total Revolving Commitments, Viacom may decrease the Multi-Currency Sublimit with respect to any or all Multi-Currencies in a minimum principal amount of \$10,000,000 and in integral multiples of \$1,000,000 in excess thereof. No such termination or reduction shall be made if, after giving effect thereto and to any prepayments of the Loans made on the effective date thereof, the Multi-Currency Sublimit with respect to each applicable Multi-Currency would be less than the Multi-Currency Revolving Loans outstanding in such Multi-Currency at such time. Upon an increase, pursuant to Section 2.13(c), in the Total Revolving Commitments or Total Canadian Commitments, as applicable, the Administrative Agent, with the consent of the Required Facility Lenders in respect of the relevant Facility, may increase the Multi-Currency Sublimit with respect to Canadian Dollars or any or all Multi-Currencies to an amount not in excess of the Total Canadian Commitments or Total Revolving Commitments, as applicable.

(h) No Lender or US-Canadian Lender shall at any time be required to agree to a request of Viacom to increase its Commitment or obligations hereunder.

SECTION 2.14. Optional Prepayments of Revolving Credit Loans.

The relevant Borrower may at any time and from time to time prepay the Revolving Credit Loans, in whole or in part, without premium or penalty, upon giving irrevocable written or telecopy notice (or telephone notice promptly confirmed by written or telecopy notice) to the Administrative Agent: (i) before 10:00 a.m., New York City time, three Business Days prior to prepayment, in the case of Eurocurrency Revolving Loans, and (ii) before 10:00 a.m., New York City time, one Business Day prior to prepayment, in the case of ABR Revolving Loans. Such notice shall specify the date and amount of prepayment and whether the prepayment is of Eurocurrency Revolving Loans, ABR Revolving Loans or a combination thereof, and, if of a combination thereof, the amount allocable to each. If a Eurocurrency Revolving Loan is prepaid on any day other than the last day of the Interest Period applicable thereto, the relevant Borrower shall also pay any amounts owing pursuant to Section 2.16. Upon receipt of any such notice the Administrative Agent shall promptly notify each Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein, together with (except in the case of ABR Revolving Loans) accrued interest to such date on the amount prepaid. Partial prepayments of Revolving Credit Loans shall be in an aggregate principal amount of \$10,000,000 or a whole multiple of \$1,000,000 in excess thereof.

SECTION 2.15. Reserve Requirements; Change in Circumstances.

(a) Notwithstanding any other provision herein, if after the Closing Date any change in applicable law or regulation (including any change in the reserve percentages provided for in Regulation D) or in the interpretation or administration thereof by any Governmental Authority charged with the interpretation or administration thereof shall change the basis of taxation of payments to any Lender or US-Canadian Lender of the principal of or interest on any Eurocurrency Loan, Absolute Rate Loan or C\$ Loan made by such Lender or US-Canadian Lender (other than changes in respect of taxes imposed on the overall net income of such Lender or US-Canadian Lender by the jurisdiction in which such Lender or US-Canadian Lender has its principal office (or in which it holds any Eurocurrency Loan, Absolute Rate Loan or C\$ Loan) or by any political subdivision or taxing authority therein and other than taxes that would not have been imposed but for the failure of such Lender or US-Canadian Lender to comply with applicable certification, information, documentation or other reporting requirements), or shall impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of or deposits with or for the account of such Lender or US-Canadian Lender or shall impose on such Lender or US-Canadian Lender or the London interbank market or Toronto interbank market (with respect to C\$ Loans), as applicable, any other condition affecting this Agreement or any Eurocurrency Loan, Absolute Rate Loan or C\$ Loan made by such Lender or US-Canadian Lender and the result of any of the foregoing shall be to increase the cost to such Lender or US-Canadian Lender of making or maintaining any Eurocurrency Loan, Absolute Rate Loan or C\$ Loan or to reduce the amount of any sum received or receivable by such Lender or US-Canadian Lender hereunder (whether of principal, interest or otherwise) in respect of any Eurocurrency Loan, Absolute Rate Loan or C\$ Loan by an amount deemed by the applicable Lender or US-Canadian Lender to be material, then the relevant Borrower or Canadian Borrower (with respect to C\$ Loans) agrees to pay to such Lender or US-Canadian Lender, as applicable, as provided in paragraph (c) below such additional amount or amounts as will compensate such

Lender or US-Canadian Lender, as applicable, for such additional costs incurred or reduction suffered. Notwithstanding the foregoing, no Lender shall be entitled to request compensation under this paragraph with respect to any Competitive Loan if the change giving rise to such request shall, or in good faith should, have been taken into account in formulating the Competitive Bid pursuant to which such Competitive Loan shall have been made.

(b) If any Lender, any US-Canadian Lender or any Issuing Lender shall have determined that the adoption after the Closing Date hereof of any law, rule, regulation or guideline regarding capital adequacy, or any change in any law, rule, regulation or guideline regarding capital adequacy or in the interpretation or administration of any of the foregoing by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Lender, US-Canadian Lender (or any lending office of such Lender or US-Canadian Lender) or Issuing Lender or any Lender's, US-Canadian Lender's or Issuing Lender's holding company with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on such Lender's, US-Canadian Lender's or Issuing Lender's capital or on the capital of such Lender's, US-Canadian Lender's or Issuing Lender's holding company, if any, as a consequence of this Agreement or the Loans made by such Lender or US-Canadian Lender, as applicable, or the LC Exposure of such Lender or Letters of Credit issued by such Issuing Lender pursuant hereto to a level below that which such Lender or Issuing Lender or such Lender's or Issuing Lender's holding company could have achieved but for such applicability, adoption, change or compliance (taking into consideration such Lender's or Issuing Lender's policies and the policies of such Lender's or Issuing Lender's holding company with respect to capital adequacy) by an amount deemed by such Lender or Issuing Lender to be material, then from time to time Viacom agrees to pay to such Lender, US-Canadian Lender or Issuing Lender as provided in paragraph (c) below such additional amount or amounts as will compensate such Lender, US-Canadian Lender or Issuing Lender or such Lender's, US-Canadian Lender's or Issuing Lender's holding company for any such reduction suffered.

(c) A certificate of each Lender, US-Canadian Lender or Issuing Lender setting forth such amount or amounts as shall be necessary to compensate such Lender, US-Canadian Lender or Issuing Lender as specified in paragraph (a) or (b) above, as the case may be, and the basis therefor in reasonable detail shall be delivered to the relevant Borrower or Canadian Borrower and shall be conclusive absent manifest error. The relevant Borrower or Canadian Borrower shall pay each Lender, US-Canadian Lender or Issuing Lender the amount shown as due on any such certificate within 30 days after its receipt of the same. Upon the receipt of any such certificate, the relevant Borrower shall be entitled, in its sole discretion, if any requested Loan has not been made, to cancel its acceptance of the relevant Competitive Bids or to cancel the Competitive Bid Request relating thereto, subject to Section 2.16.

(d) Except as provided in this paragraph, failure on the part of any Lender or US-Canadian Lender, as applicable, to demand compensation for any increased costs or reduction in amounts received or receivable or reduction in return on capital with respect to any period shall not constitute a waiver of such Lender's or US-Canadian Lender's right to demand compensation with respect to any other period. The protection of this Section 2.15 shall be available to each Lender and US-Canadian Lender regardless of any possible contention of the invalidity or

inapplicability of the law, rule, regulation, guideline or other change or condition which shall have occurred or been imposed so long as it shall be customary for Lenders or US-Canadian Lenders, as applicable, affected thereby to comply therewith. No Lender or US-Canadian Lender shall be entitled to compensation under this Section 2.15 for any costs incurred or reductions suffered with respect to any date unless it shall have notified the relevant Borrower or Canadian Borrower that it will demand compensation for such costs or reductions under paragraph (c) above not more than 90 days after the later of (i) such date and (ii) the date on which it shall have become aware of such costs or reductions. Notwithstanding any other provision of this Section 2.15, no Lender or US-Canadian Lender shall demand compensation for any increased cost or reduction referred to above if it shall not at the time be the general policy or practice of such Lender or US-Canadian Lender to demand such compensation in similar circumstances under comparable provisions of other credit agreements, if any. In the event any Borrower shall reimburse any Lender or US-Canadian Lender or any Canadian Borrower shall reimburse any US-Canadian Lender pursuant to this Section 2.15 for any cost and such Lender or US-Canadian Lender shall subsequently receive a refund in respect thereof, such Lender or US-Canadian Lender, as applicable, shall so notify the relevant Borrower or Canadian Borrower and, upon its request, will pay to such Borrower or Canadian Borrower the portion of such refund which such Lender or US-Canadian Lender, as applicable, shall determine in good faith to be allocable to the cost so reimbursed. The covenants contained in this Section 2.15 shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

SECTION 2.16. Indemnity.

Each Borrower agrees to indemnify each Lender and US-Canadian Lender, as applicable, and each Canadian Borrower agrees to indemnify each US-Canadian Lender against any loss or expense described below which such Lender or US-Canadian Lender may sustain or incur as a consequence of (a) any failure by such Borrower or Canadian Borrower, as applicable, to fulfill on the date of any borrowing hereunder the applicable conditions set forth in Article IV, (b) any failure by such Borrower or Canadian Borrower, as applicable, to borrow, continue or convert any Loan hereunder after irrevocable notice of such borrowing, continuation or conversion has been given or deemed given or Competitive Bids have been accepted pursuant to Article II, (c) any payment, prepayment or conversion of a Eurocurrency Loan, Absolute Rate Loan or C\$ Loan made to such Borrower or Canadian Borrower, as applicable, required by any other provision of this Agreement or otherwise made or deemed made, whatever the circumstances may be that give rise to such payment, prepayment or conversion, or any transfer of any such Loan pursuant to Section 2.21 or 9.4(b) or subsection 3.8 of Annex II or, on a date other than the last day of the Interest Period applicable thereto, or (d) if any breakage is incurred, any failure by a Borrower to prepay a Eurodollar Loan on the date specified in a notice of prepayment; provided, that any request for indemnification made by any Lender to any Borrower or any Canadian Borrower or by any US-Canadian Lender to any Canadian Borrower pursuant hereto shall be accompanied by such Lender's or US-Canadian Lender's calculation of such amount to be indemnified. The loss or expense for which such Lender or US-Canadian Lender shall be indemnified under this Section 2.16 shall be equal to the excess, if any, as reasonably determined by such Lender or US-Canadian Lender, as applicable, of (i) its cost of obtaining the funds for the Loan being paid, prepaid, converted or not borrowed, continued, prepaid or

converted (assumed to be the Eurocurrency Rate in the case of Eurocurrency Loans) for the period from the date of such payment, prepayment, conversion or failure to borrow, continue, prepay or convert to the last day of the Interest Period for such Loan (or, in the case of a failure to borrow, continue, prepay or convert, the Interest Period for such Loan which would have commenced on the date of such failure) over (ii) the amount of interest (as reasonably determined by the relevant Lender or US-Canadian Lender) that would be realized by such Lender or US-Canadian Lender in reemploying the funds so paid, prepaid, converted or not borrowed, continued, prepaid or converted for such period or Interest Period, as the case may be; provided, however, that such amount shall not include any loss of a Lender's or US-Canadian Lender's margin or spread over its cost of obtaining funds as described above. A certificate of any Lender or US-Canadian Lender setting forth any amount or amounts which such Lender or US-Canadian Lender is entitled to receive pursuant to this Section 2.16 (with calculations in reasonable detail) shall be delivered to the relevant Borrower or Canadian Borrower and shall be conclusive absent manifest error. This covenant shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

SECTION 2.17. Pro Rata Treatment; Funding Matters; Evidence of Debt.

(a) Except as required under Section 2.21, each payment or prepayment of principal of any Revolving Credit Loan, each payment of interest on the Revolving Credit Loans, each payment of LC Fees, each payment of Facility Fees, and each reduction of the Commitments, shall be allocated pro rata among the Lenders in accordance with their respective Revolving Commitments (or, if such Revolving Commitments shall have expired or been terminated, in accordance with their Outstanding Revolving Extensions of Credit). Each Lender agrees that in computing such Lender's portion of any Revolving Credit Loan to be made hereunder, the Administrative Agent may, in its discretion, round such Lender's percentage of such Loan to the next higher or lower whole Dollar amount.

(b) Unless the Administrative Agent shall have received notice from a Lender or US-Canadian Lender, as applicable, prior to the relevant borrowing date that such Lender or US-Canadian Lender, as applicable, will not make available to the Administrative Agent such Lender's portion or US-Canadian Lender's portion of a borrowing, the Administrative Agent may assume that such Lender or US-Canadian Lender, as applicable, has made such portion available to the Administrative Agent on the date of such borrowing in accordance with this Agreement and the Administrative Agent may, in reliance upon such assumption, make available to the relevant Borrower on such date a corresponding amount. If and to the extent that such Lender or US-Canadian Lender, as applicable, shall not have made such portion available to the Administrative Agent, each of such Lender or US-Canadian Lender, as applicable, and the relevant Borrower agrees to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to such Borrower until the date such amount is repaid to the Administrative Agent at (i) in the case of such Borrower, the interest rate applicable at the time to the relevant Loan and (ii) in the case of such Lender or US-Canadian Lender, as applicable, the Federal Funds Effective Rate. If such Lender or US-Canadian Lender, as applicable, shall repay to the Administrative Agent such corresponding amount, such amount shall constitute such Lender's Loan or US Canadian Lender's Loan, as applicable, as part of such borrowing for the purposes of this Agreement; provided, that such repayment shall not release such Lender or US-Canadian

Lender, as applicable, from any liability it may have to such Borrower for the failure to make such Loan at the time required herein.

(c) The failure of any Lender to make any Loan shall not in itself relieve any other Lender of its obligation to lend hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to make any Loan required to be made by such other Lender). The failure of any US-Canadian Lender to make the US\$-Canadian Loans to be made by it on any Borrowing Date shall not relieve any other US-Canadian Lender of its obligation, if any, hereunder to make its US\$-Canadian Loans on such borrowing date, but no US-Canadian Lender shall be responsible for the failure of any other US-Canadian Lender to make the US\$-Canadian Loans to be made by such other US-Canadian Lender on such borrowing date.

(d) Each Lender may at its option make any Eurocurrency Loan by causing any domestic or foreign branch or Lender Affiliate of such Lender to make such Loan; provided, that any exercise of such option shall not affect the obligation of the relevant Borrower to repay such Loan in accordance with the terms of this Agreement.

(e) Each Lender and each US-Canadian Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness to such Lender or US-Canadian Lender, as applicable, resulting from each Loan made by it from time to time, including the amounts of principal and interest payable and paid to such Lender or US-Canadian Lender from time to time under this Agreement. The Administrative Agent shall maintain accounts in which it will record (i) the amount of each Loan made hereunder, the Borrower or Canadian Borrower, as applicable, with respect to each Loan, the Type of each Loan and each Interest Period, if any, applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from each Borrower or Canadian Borrower, as applicable, to each Lender or US-Canadian Lender, as applicable, hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder from any Borrower or Canadian Borrower, as applicable, and each Lender's or US-Canadian Lender's share thereof. The entries made in the accounts maintained pursuant to this paragraph (e) shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations therein recorded; provided, however, that the failure of any Lender, US-Canadian Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligations of any Borrower or Canadian Borrower to repay the Loans in accordance with their terms.

(f) In order to expedite the transactions contemplated by this Agreement, each Subsidiary Borrower and Canadian Borrower shall be deemed, by its execution and delivery of a Subsidiary Borrower Request, to have appointed Viacom to act as agent on its behalf for the purpose of (a) giving any notices contemplated to be given by such Subsidiary Borrower or Canadian Borrower, as applicable, pursuant to this Agreement, including, without limitation, borrowing notices, prepayment notices, continuation notices, conversion notices, competitive bid requests and competitive bid acceptances or rejections and (b) paying on behalf of such Subsidiary Borrower or Canadian Borrower, as applicable, any Subsidiary Borrower Obligations owing by the relevant Subsidiary Borrower or Canadian Borrower; provided, that each

Subsidiary Borrower and Canadian Borrower shall retain the right, in its discretion, to directly give any or all of such notices or make any or all of such payments.

(g) The Administrative Agent shall promptly notify the Lenders and the US-Canadian Lenders upon receipt of any Subsidiary Borrower Designation and Subsidiary Borrower Request. The Administrative Agent shall promptly notify the Swingline Lenders upon receipt of any designation of a Subsidiary Borrower as a Swingline Borrower.

SECTION 2.18. Sharing of Setoffs.

Except to the extent that this Agreement provides for payments to be allocated to Revolving Credit Loans, Swingline Loans or Competitive Loans, as the case may be, each Lender agrees that if it shall, through the exercise of a right of banker's lien, setoff or counterclaim against any Borrower, or pursuant to a secured claim under Section 506 of Title 11 of the United States Code or other security or interest arising from, or in lieu of, such secured claim, received by such Lender under any applicable bankruptcy, insolvency or other similar law or otherwise, or by any other means (other than pursuant to any provision of this Agreement), obtain payment (voluntary or involuntary) in respect of any category of its Loans or such Lender's Revolving Credit Percentage of any LC Disbursement as a result of which the unpaid principal portion of such Loans or the unpaid portion of such Lender's Revolving Credit Percentage of the LC Disbursements shall be proportionately less than the unpaid principal portion of such Loans or the unpaid portion of the Revolving Credit Percentage of the LC Disbursements of any other Lender, it shall be deemed simultaneously to have purchased from such other Lender at face value, and shall promptly pay to such other Lender the purchase price for, a participation in such Loans or the Revolving Credit Percentage of the LC Disbursements of such other Lender, so that the aggregate unpaid principal amount of such Loans and participations in such Loans held by each Lender or the Revolving Credit Percentage of LC Disbursements and participations in LC Disbursements held by each Lender shall be in the same proportion to the aggregate unpaid principal amount of all such Loans or LC Disbursements then outstanding as the principal amount of such Loans or the Revolving Credit Percentage of LC Disbursements of each Lender prior to such exercise of banker's lien, setoff or counterclaim or other event was to the principal amount of all such Loans or LC Disbursements outstanding prior to such exercise of banker's lien, setoff or counterclaim or other event; provided, however, that, if any such purchase or purchases or adjustments shall be made pursuant to this Section 2.18 and the payment giving rise thereto shall thereafter be recovered, such purchase or purchases or adjustments shall be rescinded to the extent of such recovery and the purchase price or prices or adjustment restored without interest, unless the Lender from which such payment is recovered is required to pay interest thereon, in which case each Lender returning funds to such Lender shall pay its pro rata share of such interest. Any Lender holding a participation in a Loan or LC Disbursement deemed to have been so purchased may exercise any and all rights of banker's lien, setoff or counterclaim with respect to any and all moneys owing by any Borrower to such Lender by reason thereof as fully as if such Lender had made a Loan directly to such Borrower or issued a Letter of Credit for the account of such Borrower in the amount of such participation.

SECTION 2.19. Payments.

(a) Except as otherwise expressly provided herein, each Borrower shall make each payment (including principal of or interest on any Loan or any Fees or other amounts) hereunder without setoff or counterclaim and shall make each such payment not later than 12:00 noon, New York City time, on the date when due in Dollars to the Administrative Agent at its offices at The Chase Manhattan Bank, 270 Park Avenue, New York, New York 10017, in immediately available funds. Notwithstanding the foregoing, each Borrower shall make each payment with respect to any Loan denominated in any Multi-Currency (including principal of or interest on any such Loan or other amounts) hereunder without setoff or counterclaim and shall make each such payment not later than 12:00 noon, London time, on the date when due in the relevant Multi-Currency to the Administrative Agent at its offices at Chase Manhattan International Ltd., 9 Thomas Moore Street, London E1-9YT United Kingdom, in immediately available funds.

(b) Whenever any payment (including principal of or interest on any Loan or any Fees or other amounts) hereunder shall become due, or otherwise would occur, on a day that is not a Business Day, such payment may be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of interest or Fees, if applicable.

SECTION 2.20. Taxes.

(a) Any and all payments by each Borrower hereunder shall be made, in accordance with Section 2.19, free and clear of and without deduction for any and all present or future taxes, levies, imposts, duties, charges, fees, deductions, charges or withholdings, and all liabilities with respect thereto imposed by or on behalf of any Governmental Authority, excluding net income taxes and franchise taxes (imposed in lieu of net income taxes) imposed on the Administrative Agent or any Lender as a result of a present or former connection between the Administrative Agent or such Lender and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Administrative Agent's or such Lender's having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement or any other Loan Document) (all such nonexcluded taxes, levies, imposts, duties, charges, fees, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes"). If any Borrower shall be required by law to deduct any Taxes or Other Taxes from or in respect of any sum payable to any Agent or any Lender hereunder, (i) the sum payable shall be increased by the amount necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.20) such Agent or such Lender shall receive an amount equal to the sum it would have received had no such deductions been made, (ii) such Borrower shall make such deductions and (iii) such Borrower shall pay the full amount deducted to the relevant taxing authority or other Governmental Authority in accordance with applicable law.

(b) The relevant Borrower agrees to pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The relevant Borrower will indemnify each Lender (or Transferee) and the Administrative Agent for the full amount of Taxes and Other Taxes (including any Taxes or Other Taxes imposed by the applicable jurisdiction on amounts payable under this Section 2.20) paid by such Lender (or Transferee) or the Administrative Agent, as the case may be, and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted by the relevant taxing authority or other Governmental Authority. Such indemnification shall be made within 30 days after the date such Lender (or Transferee) or the Administrative Agent, as the case may be, makes written demand therefor.

(d) Whenever any Taxes or Other Taxes are payable by any Borrower, within 30 days thereafter such Borrower shall send to the Administrative Agent for its own account or for the account of the relevant Lender, as the case may be, a certified copy of an official receipt received by such Borrower showing payment thereof (or other evidence of such payment reasonably satisfactory to the Administrative Agent).

(e) Without prejudice to the survival of any other agreement contained herein, the agreements and obligations contained in this Section 2.20 shall survive the payment in full of the principal of and interest on all Loans made hereunder and of all other amounts payable hereunder.

(f) Each Lender (or Transferee) that is not a "United States Person" as defined in Section 7701(a)(30) of the Code (such Lender (or Transferee), a "Non-U.S. Person") shall deliver to Viacom and the Administrative Agent (or, in the case of a participant, to the Lender from which the related participation shall have been purchased) two copies of either U.S. Internal Revenue Service Form W-8BEN or Form W-8ECI, or, in the case of a Non-U.S. Person claiming exemption from U.S. federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", a Form W-8BEN, or any subsequent versions thereof or successors thereto (and, if such Non-U.S. Person, claiming an exemption with respect to payments of "portfolio interest", delivers a Form W-8BEN, an annual certificate representing that such Non-U.S. Person is not a "bank" for purposes of Section 881(c) of the Code, is not a 10-percent shareholder (within the meaning of Section 871(h)(3)(B) of the Code) of Viacom and is not a controlled foreign corporation related to Viacom (within the meaning of Section 864(d)(4) of the Code)), properly completed and duly executed by such Non-U.S. Person claiming complete exemption from U.S. federal withholding tax on all payments by any Borrower under this Agreement. Such forms shall be delivered by each Non-U.S. Person promptly after it becomes a party to this Agreement (or, in the case of any participant, promptly after the date such participant purchases the related participation). In addition, each Non-U.S. Person shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such Non-U.S. Person. Each Non-U.S. Person shall promptly notify Viacom at any time it determines that it is no longer in a position to provide any previously delivered certificate to Viacom (or any other form of certification adopted by the U.S. taxing authorities for such purpose). Unless Viacom and the Administrative Agent (or, in the case of a participant, the Lender from which the related participation shall have been purchased) have received forms or other documents satisfactory to them indicating that payments hereunder are not subject to United States withholding tax, the relevant Borrower or the Administrative Agent shall withhold taxes from such payments at the applicable statutory rate in the case of payments

of interest to or for any Lender (or Transferee) that is a Non-U.S. Person. Notwithstanding any other provision of this Section 2.20(f), a Non-U.S. Person shall not be required to deliver any form pursuant to this Section 2.20(f) that such Non-U.S. Person is not legally able to deliver by reason of the adoption of any law, rule or regulation, or any change in any law, rule or regulation or in the interpretation thereof, in each case occurring after the date such Non-U.S. Person becomes a Lender (or Transferee).

(g) A Lender that is entitled to an exemption from or reduction of any non-U.S. withholding tax under the law of the jurisdiction in which a Borrower is located, or under any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to such Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law or reasonably requested by such Borrower, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate, provided that such Lender is legally entitled to complete, execute and deliver such documentation and in such Lender's reasonable judgment such completion, execution or submission would not materially prejudice the legal position of such Lender.

(h) No Borrower shall be required to pay any additional amounts to any Agent or Lender pursuant to paragraph (a) above (i) if the obligation to pay such additional amounts would not have arisen but for a failure by such Agent or Lender to comply with the provisions of paragraph (f) or (g) above or (ii) in the case of a Transferee, to the extent such additional amounts exceed the additional amounts that would have been payable had no transfer or assignment to such Transferee occurred; provided, however, that each Borrower shall be required to pay those amounts to any Agent or Lender (or Transferee) that it was required to pay hereunder prior to the failure of such Agent or Lender (or Transferee) to comply with the provisions of such paragraph (f) or (g).

SECTION 2.21. Termination or Assignment of Commitments Under Certain Circumstances.

(a) Any Lender (or Transferee) claiming any additional amounts payable pursuant to Section 2.15 or Section 2.20 and any US-Canadian Lender (or Transferee) claiming any additional amounts payable pursuant to Section 2.15 or subsection 3.7 of Annex II shall use reasonable efforts (consistent with legal and regulatory restrictions) to file any certificate or document requested by any Borrower or Canadian Borrower or to change the jurisdiction of its applicable lending office if the making of such a filing or change would avoid the need for or reduce the amount of any such additional amounts which may thereafter accrue and would not, in the sole determination of such Lender, US-Canadian Lender or Transferee, be otherwise disadvantageous to such Lender, US-Canadian Lender or Transferee.

(b) In the event that (w) any Lender or US-Canadian Lender shall have delivered a notice or certificate pursuant to Section 2.15, (x) any Borrower shall be required to make additional payments to any Lender under Section 2.20, (y) any Canadian Borrower (in respect of C\$ Loans) or Borrower (in respect of US\$-Canadian Loans) shall be required to make additional payments to any US-Canadian Lender under Section 2.20 or (z) any Lender or US-Canadian Lender (a "Non-Consenting Lender") shall withhold its consent to any amendment described in

clause (i) or (ii) of Section 9.8(b) as to which consents have been obtained from Lenders and US-Canadian Lenders having Total Facility Percentages aggregating at least 90%, Viacom shall have the right, at its own expense, upon notice to such Lender or US-Canadian Lender (or Lenders or US-Canadian Lenders) and the Administrative Agent, (i) to terminate the Revolving Commitments of such Lender or terminate the Canadian Commitments of such US-Canadian Lender, as applicable, (except in the case of clause (z) above), or (ii) to require such Lender or US-Canadian Lender (or, in the case of clause (z) above, each Non-Consenting Lender) to transfer and assign without recourse (in accordance with and subject to the restrictions contained in Section 9.4) all its interests, rights and obligations under this Agreement to one or more other financial institutions acceptable to Viacom (unless an Event of Default has occurred and is continuing) and the Administrative Agent, which approval in each case shall not be unreasonably withheld, which shall assume such obligations; provided, that (w) in the case of any replacement of Non-Consenting Lenders, each assignee shall have consented to the relevant amendment, (x) no such termination or assignment shall conflict with any law, rule or regulation or order of any Governmental Authority, (y) (I) the Borrowers or the assignee (or assignees) shall pay to each affected Lender and US-Canadian Lender, as applicable, and (II) the Canadian Borrowers or the assignee (or assignees) shall pay to each affected US-Canadian Lender, as the case may be, in each case, in immediately available funds on the date of such termination or assignment the principal of and interest accrued to the date of payment on the Loans made by it hereunder and all other amounts accrued for its account or owed to it hereunder and (z) (A) Viacom may not terminate Revolving Commitments representing more than 10% of the original aggregate Revolving Commitments pursuant to this paragraph (b) and (B) Viacom may not terminate Canadian Commitments representing more than 10% of the original aggregate Canadian Commitments pursuant to this paragraph (b).

SECTION 2.22. Currency Equivalents.

(a) The Administrative Agent shall determine the Dollar equivalent of each Competitive Bid Loan in a Foreign Currency and each Multi-Currency Revolving Loan as of the first day of each Interest Period applicable thereto and, in the case of any such Interest Period of more than three months, at three-month intervals after the first day thereof. The Administrative Agent shall promptly notify the relevant Borrower and the Lenders of the Dollar equivalent so determined by it. Each such determination shall be based on the Spot Rate (i) (A) for purposes of the initial determination of such Competitive Bid Loan, on the date of the related Competitive Bid Request and (B) for purposes of the initial determination of such Multi-Currency Revolving Loan, on the date of the related Borrowing Request, and (ii) for purposes of subsequent determinations, on the fourth Business Day prior to the date on which such Dollar equivalent is to be determined.

(b) The Administrative Agent shall determine the Dollar equivalent of the Aggregate LC Exposure related to each Letter of Credit issued in a Foreign Currency as of the date of the issuance thereof, at three-month intervals after the date of issuance thereof and as of the date of each drawing thereunder. Each such determination shall be based on the Spot Rate (i) on the date of the related notice of any proposed issuance of a Letter of Credit pursuant to Section 2.7(c), in the case of the initial determination of such Letter of Credit, (ii) on the second Business Day prior to the date as of which such Dollar equivalent is to be determined, in the case of any subsequent determination with respect to an outstanding Letter of Credit and (iii) on the

second Business Day prior to the related drawing thereunder, in the case of any determination as of a drawing thereunder.

(c) If after giving effect to any such determination of a Dollar equivalent with respect to Competitive Bid Loans and Letters of Credit, the Dollar equivalent thereof exceeds \$150,000,000, Viacom shall, or shall cause the applicable Subsidiary Borrowers to, within five Business Days, (i), in the case of an excess with respect to Competitive Bid Loans, prepay outstanding Competitive Bid Loans in Foreign Currencies to eliminate such excess, and (ii) in the case of an excess with respect to Letters of Credit, cause to be reduced (or, at the relevant Borrower's option, cash collateralized) outstanding Letters of Credit in Foreign Currencies to eliminate such excess, or (iii), in each case, take such other action to the extent necessary to eliminate any such excess. If any such prepayment occurs on a day which is not the last day of the then current Interest Period with respect thereto, Viacom shall, or shall cause the applicable Subsidiary Borrowers to, pay to the Lenders such amounts, if any, as may be required pursuant to Section 2.16. If after giving effect to any such determination of a Dollar with respect to Multi-Currency Revolving Loans, the Dollar equivalent thereof exceeds (A) the Multi-Currency Sublimit for any currency or (B) the Total Multi-Currency Sublimit, Viacom shall, or shall cause the relevant Subsidiary Borrowers to, within five Business Days, prepay outstanding Multi-Currency Revolving Loans so that the Specified Currency Availability for each currency is greater than or equal to zero and so that the Total Specified Currency Availability is greater than or equal to zero or take such other action to the extent necessary to eliminate any such excess.

(d) Notwithstanding the foregoing, if at any time (i) the Commitment Utilization Percentage is greater than 110%, Viacom shall, or shall cause the relevant Subsidiary Borrowers to, within five Business Days prepay outstanding Competitive Bid Loans in Foreign Currencies, prepay outstanding Multi-Currency Revolving Loans, prepay (or, at the relevant Borrower's option, cash collateralize) outstanding Letters of Credit in Foreign Currencies or take such other action to the extent necessary to eliminate any such excess or (ii) the Dollar equivalent of the outstanding Multi-Currency Revolving Loans is greater than 110% of (A) the Multi-Currency Sublimit for any currency or (B) the Total Multi-Currency Sublimit, Viacom shall, or shall cause the relevant Subsidiary Borrowers to, within five Business Days, prepay outstanding Multi-Currency Revolving Loans so that the Specified Currency Availability for each currency is greater than or equal to zero and so that the Total Specified Currency Availability is greater than or equal to zero or take such other action to the extent necessary to eliminate any such excess.

(e) If any prepayment occurs pursuant to this Section 2.22 on a day which is not the last day of the then current Interest Period with respect thereto, Viacom shall pay to the Lenders such amounts, if any, as may be required pursuant to Section 2.16.

SECTION 2.23. Judgment Currency.

If, for the purpose of obtaining judgment in any court, it is necessary to convert a sum due from any Borrower or any Canadian Borrower hereunder in the currency expressed to be payable herein (the "specified currency") into another currency, the parties hereto agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures the Administrative Agent could purchase the specified currency with such other currency at the Administrative Agent's London office (or

with respect to C\$ Loans, Toronto office) on any Business Day (or with respect to C\$ Loans, Business Day (Canada)) preceding that on which the final judgment is given. The obligations of such Borrower or Canadian Borrower, as applicable, in respect of any sum due to any Lender, US-Canadian Lender or the Administrative Agent hereunder shall, notwithstanding any judgment in a currency other than the specified currency, be discharged only to the extent that on the Business Day or Business Day (Canada), as applicable, following receipt by such Lender, US-Canadian Lender or the Administrative Agent, as the case may be, of any sum adjudged to be so due in such other currency such Lender, US-Canadian Lender or the Administrative Agent, as the case may be, may in accordance with normal banking procedures purchase the specified currency with such other currency. If the amount of the specified currency so purchased is less than the sum originally due to such Lender, US-Canadian Lender or the Administrative Agent, as the case may be, in the specified currency, such Borrower or Canadian Borrower, as applicable, agrees, to the fullest extent that it may effectively do so, as a separate obligation and notwithstanding any such judgment, to indemnify such Lender, US-Canadian Lender or the Administrative Agent, as the case may be, against such loss, and if the amount of the specified currency so purchased exceeds (i) the sum originally due to any Lender, US-Canadian Lender or the Administrative Agent, as the case may be, in the specified currency and (ii) any amounts shared with other Lenders or US-Canadian Lenders, as applicable, as a result of allocations of such excess as a disproportionate payment to such Lender or US-Canadian Lender as compared to such Lender's Total Revolving Facility Percentage or US-Canadian Lender's Total Canadian Facility Percentage, such Lender, US-Canadian Lender or the Administrative Agent, as the case may be, agrees to remit such excess to such Borrower or Canadian Borrower, as applicable.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

Viacom hereby represents and warrants, and each Subsidiary Borrower by its execution and delivery of a Subsidiary Borrower Request represents and warrants (to the extent specifically applicable to such Subsidiary Borrower), to each of the Lenders that:

SECTION 3.1. Corporate Existence. Each of Viacom and each Material Subsidiary: (a) is a corporation, partnership or other entity duly organized and validly existing under the laws of the jurisdiction of its organization; (b) has all requisite corporate or other power, and has all material governmental licenses, authorizations, consents and approvals, necessary to own its assets and carry on its business as now being or as proposed to be conducted, except where the failure to have any of the foregoing would not result in a Material Adverse Effect; and (c) is qualified to do business in all jurisdictions in which the nature of the business conducted by it makes such qualification necessary and where failure so to qualify would result in a Material Adverse Effect.

SECTION 3.2. Financial Condition. The consolidated balance sheet of Viacom and its Consolidated Subsidiaries as at December 31, 1999, and the related consolidated statements of income and cash flows of

Viacom and its Consolidated Subsidiaries for the fiscal year ended on such date, with the opinion thereon of PricewaterhouseCoopers LLC, heretofore furnished to each of the Lenders, fairly present the consolidated financial condition of Viacom and its Consolidated Subsidiaries as at such date and the consolidated results of their operations for the fiscal year ended on such date in accordance with GAAP. Neither Viacom nor any of its Material Subsidiaries had on such date any known material contingent liability, except as referred to or reflected or provided for in the Exchange Act Report or in such balance sheets (or the notes thereto) as at such date.

SECTION 3.3. Litigation. Except as disclosed to the Lenders in the Exchange Act Report filed prior to the Closing Date or otherwise disclosed in writing to the Lenders prior to the Closing Date, there are no legal or arbitral proceedings, or any proceedings by or before any Governmental Authority, pending or (to the knowledge of Viacom) threatened against Viacom or any of its Material Subsidiaries which have resulted in a Material Adverse Effect (it being agreed that any legal or arbitral proceedings which have been disclosed in the Exchange Act Report, whether threatened, pending, resulting in a judgment or otherwise, prior to the time a final judgment for the payment of money shall have been recorded against Viacom or any Material Subsidiary by any Governmental Authority having jurisdiction, and the judgment is non-appealable (or the time for appeal has expired) and all stays of execution have expired or been lifted shall not, in and of itself, be deemed to result in a Material Adverse Effect). The "Exchange Act Report" shall mean, collectively, (i) the Annual Report of Viacom on Form 10-K for the year ended December 31, 1999 and Quarterly Reports on Form 10-Q and Reports on Form 8-K of Viacom filed subsequent to December 31, 1999, but on or before February 20, 2001, (ii) the Annual Report of CBS Corporation on Form 10-K for the year ended December 31, 1999 and Quarterly Reports on Form 10-Q and Reports on Form 8-K of Viacom filed subsequent to December 31, 1999, but on or before February 20, 2001, and (iii) Reports on Form S-4 filed on October 7, 1999 and November 22, 2000, in each case, as amended or supplemented on or before February 20, 2001.

SECTION 3.4. No Breach, etc. None of the execution and delivery of this Agreement, the consummation of the transactions herein contemplated and compliance with the terms and provisions hereof will conflict with or result in a breach of, or require any consent under, the charter or By-laws (or other equivalent organizational documents) of any Borrower, or any applicable law or regulation, or any order, writ, injunction or decree of any Governmental Authority, or any material agreement or instrument to which Viacom or any of its Material Subsidiaries is a party or by which any of them is bound or to which any of them is subject, or constitute a default under any such agreement or instrument, or result in the creation or imposition of any Lien upon any of the revenues or assets of Viacom or any of its Material Subsidiaries pursuant to the terms of any such agreement or instrument. Neither Viacom nor any of its Material Subsidiaries is in default under or with respect to any of its material contractual obligations in any respect which would have a Material Adverse Effect.

SECTION 3.5. Corporate Action. Each Borrower has all necessary corporate power and authority to execute, deliver and perform its obligations under this Agreement; the execution and delivery by each Borrower of this Agreement (or, in the case of each Subsidiary Borrower, the relevant Subsidiary Borrower Request), and the performance by each Borrower of this Agreement, have been duly authorized by all necessary corporate action on such Borrower's part; this Agreement (or, in the case of each Subsidiary Borrower, the relevant Subsidiary Borrower Request) has been duly and validly executed and delivered by each Borrower; and this Agreement constitutes a legal, valid and binding obligation of each Borrower, enforceable in accordance with its terms except as such enforceability may be limited by (a) bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or similar laws of general applicability affecting the enforcement of creditors' rights and (b) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

SECTION 3.6. Approvals. No authorizations, approvals or consents of, and no filings or registrations with, any Governmental Authority are necessary for the execution, delivery or performance by each Borrower of this Agreement or for the validity or enforceability hereof.

SECTION 3.7. ERISA. Viacom and, to the best of its knowledge, its ERISA Affiliates have fulfilled their respective obligations under the minimum funding standards of ERISA and the Code with respect to each Plan and are in compliance in all material respects with the currently applicable provisions of ERISA and the Code except where any failure or non-compliance would not result in a Material Adverse Effect.

SECTION 3.8. Taxes. As of the Closing Date, United States Federal income tax returns of or including Viacom have been, to the knowledge of Viacom, examined and closed through the fiscal year of Viacom ended December 31, 1994. Viacom and its Material Subsidiaries, to the knowledge of Viacom, have filed all United States Federal income tax returns and all other material tax returns which are required to be filed by or in respect of them and have paid or caused to be paid all taxes shown as due on such returns or pursuant to any assessment received by Viacom or any of its Material Subsidiaries, except those being contested and reserved against in accordance with Section 5.2.

SECTION 3.9. Investment Company Act. No Borrower is an "investment company", or a company "controlled" by an "investment company", subject to regulation under the Investment Company Act of 1940, as amended.

SECTION 3.10. Environmental. Except as in the aggregate would not have a Material Adverse Effect, neither Viacom nor any of its Subsidiaries has received any notice of violation, alleged violation, non-compliance or liability regarding environmental matters or compliance with Environmental Laws with regard to any of its or its Subsidiaries' Properties or business, nor does Viacom have any knowledge that any notice will be received or is being threatened.

SECTION 3.11. Material Subsidiaries. The list of Material Subsidiaries set forth in the most recently issued Form 10-K of Viacom is complete and correct in all material respects as of the date of the issuance of such Form 10-K.

ARTICLE IV

CONDITIONS OF EFFECTIVENESS AND LENDING

SECTION 4.1. Effectiveness. The effectiveness of this Agreement is subject to the satisfaction of the following conditions:

(a) Credit Agreement. The Administrative Agent shall have received this Agreement, executed and delivered by a duly authorized officer of Viacom and Viacom International.

(b) 364-Day Credit Agreement. All conditions to effectiveness set forth in Section 4.1 of the 364-Day Credit Agreement shall have been satisfied.

(c) Closing Certificate. The Administrative Agent shall have received a Closing Certificate, substantially in the form of Exhibit E, of Viacom and Viacom International, with appropriate insertions and attachments.

(d) Termination of Existing Credit Agreements. The Existing Credit Agreements shall have been paid in full and all obligations thereunder shall have been terminated.

(e) Opinion of Counsel. The Administrative Agent shall have received an opinion of the general counsel of Viacom and Viacom International in form and substance satisfactory to the Administrative Agent and customary for transactions of this type.

SECTION 4.2. Initial Loans to Subsidiary Borrowers. The obligation of each Lender to make its initial Loan to a particular Subsidiary Borrower, if designated as such after the Closing Date, is subject to the satisfaction of the conditions that (a) Viacom shall have delivered to the Administrative Agent a Subsidiary Borrower Designation for such Subsidiary Borrower and (b) such Subsidiary Borrower shall

have furnished to the Administrative Agent (i) a Subsidiary Borrower Request, (ii) a Closing Certificate of such Subsidiary Borrower, with appropriate insertions and attachments and (iii) one or more executed legal opinions with respect to such Subsidiary Borrower, in form and substance reasonably satisfactory to the Administrative Agent. Viacom may from time to time deliver a subsequent Subsidiary Borrower Designation with respect to any Subsidiary Borrower, countersigned by such Subsidiary Borrower, for the purpose of terminating such Subsidiary Borrower's designation as such, so long as, on the effective date of such termination, all Subsidiary Borrower Obligations in respect of such Subsidiary Borrower shall have been paid in full. In addition, if on any date a Subsidiary Borrower shall cease to be a Subsidiary, all Subsidiary Borrower Obligations in respect of such Subsidiary Borrower shall automatically become due and payable on such date and no further Loans may be borrowed by such Subsidiary Borrower hereunder.

SECTION 4.3. All Credit Events. The obligation of each Lender to make each Loan, and the obligation of each Issuing Lender to issue each Letter of Credit, are subject to the satisfaction of the following conditions:

(a) The Administrative Agent shall have received a request for, or notice of, such Credit Event if and as required by Section 2.3, 2.4, 2.6 or 2.7 or subsection 2.2 or 2.3 of Annex II, as applicable;

(b) Each of the representations and warranties made by Viacom and, in the case of a borrowing by a Subsidiary Borrower, by such Subsidiary Borrower, in Sections 3.1, 3.2, 3.4, 3.5 and 3.6 shall be true and correct in all material respects on and as of the date of such Credit Event with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date in which case such representations and warranties shall be true and correct in all material respects as of such earlier date;

(c) At the time of and immediately after giving effect to such Credit Event no Default or Event of Default shall have occurred and be continuing; and

(d) After giving effect to such Credit Event, (A) with respect to Revolving Credit Loans (i) the Outstanding Revolving Extensions of Credit of each Lender shall not exceed such Lender's Commitment then in effect and (ii) the Total Revolving Facility Exposure shall not exceed the Total Revolving Commitment then in effect, (B) with respect to C\$ Loans and US\$-Canadian Loans (i) the Outstanding Canadian Extensions of Credit of each Lender shall not exceed such Lender's Canadian Commitment then in effect and (ii) the Total Canadian Facility Exposure shall not exceed the Total Canadian Commitment then in effect, (C) with respect to Multi-Currency Revolving Loans and C\$ Loans, (i) the outstanding Multi-Currency Revolving Loans in a particular Multi-Currency or C\$ Loans, as applicable, shall not exceed the Multi-Currency Sublimit for such currency and (ii) the aggregate outstanding Multi-Currency Revolving Loans shall not exceed the Total Multi-Currency Sublimit.

Each Credit Event shall be deemed to constitute a representation and warranty by Viacom on the date of such Credit Event as to the matters specified in paragraphs (b) and (c) of this Section 4.3.

ARTICLE V

COVENANTS

Viacom covenants and agrees with each Lender that, as long as the Commitments shall be in effect or the principal of or interest on any Loan shall be unpaid, or there shall be any Aggregate LC Exposure, unless the Required Lenders shall otherwise consent in writing:

SECTION 5.1. Financial Statements. Viacom shall deliver to each of the Lenders:

(a) within 60 days after the end of each of the first three quarterly fiscal periods of each fiscal year of Viacom, consolidated statements of income and cash flows of Viacom and its Consolidated Subsidiaries for such period and for the period from the beginning of the respective fiscal year to the end of such period, and the related consolidated balance sheet as at the end of such period, setting forth in each case in comparative form the corresponding consolidated figures for the corresponding period in the preceding fiscal year, accompanied by a certificate of a Financial Officer of Viacom which certificate shall state that such financial statements fairly present the consolidated financial condition and results of operations of Viacom and its Consolidated Subsidiaries in accordance with GAAP as at the end of, and for, such period, subject to normal year-end audit adjustments; provided, that the requirement herein for the furnishing of such quarterly financial statements may be fulfilled by providing to the Lenders the report of Viacom to the SEC on Form 10-Q for the applicable quarterly period, accompanied by the officer's certificate described in the last sentence of this Section 5.1;

(b) within 120 days after the end of each fiscal year of Viacom, consolidated statements of income and cash flows of Viacom and its Consolidated Subsidiaries for such year and the related consolidated balance sheet as at the end of such year, setting forth in comparative form the corresponding consolidated figures for the preceding fiscal year, and accompanied by an opinion thereon (unqualified as to the scope of the audit) of independent certified public accountants of recognized national standing, which opinion shall state that such consolidated financial statements fairly present the consolidated financial condition and results of operations of Viacom and its Consolidated Subsidiaries as at the end of, and for, such fiscal year; provided, that the requirement herein for the furnishing of annual financial statements may be fulfilled by providing to the Lenders the report of Viacom to the SEC on Form 10-K for the applicable fiscal year;

(c) promptly upon their becoming publicly available, copies of all registration statements and regular periodic reports (including without limitation any and all reports on Form 8-K), if any, which Viacom or any of its Subsidiaries shall have filed with the SEC or any national securities exchange;

(d) promptly upon the mailing thereof to the shareholders of Viacom generally, copies of all financial statements, reports and proxy statements so mailed;

(e) within 30 days after a Responsible Officer of Viacom knows or has reason to believe that any of the events or conditions specified below with respect to any Plan or Multiemployer Plan have occurred or exist which would reasonably be expected to result in a Material Adverse Effect, a statement signed by a senior financial officer of Viacom setting forth details respecting such event or condition and the action, if any, which Viacom or its ERISA Affiliate proposes to take with respect thereto (and a copy of any report or notice required to be filed with or given to PBGC by Viacom or an ERISA Affiliate with respect to such event or condition):

(i) any reportable event, as defined in Section 4043(b) of ERISA and the regulations issued thereunder, with respect to a Plan, as to which PBGC has not by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within 30 days of the occurrence of such event; provided, that a failure to meet the minimum funding standard of Section 412 of the Code or Section 302 of ERISA shall be a reportable event regardless of the issuance of any waiver in accordance with Section 412(d) of the Code;

(ii) the filing under Section 4041 of ERISA of a notice of intent to terminate any Plan or the termination of any Plan;

(iii) the institution by PBGC of proceedings under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by Viacom or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by PBGC with respect to such Multiemployer Plan;

(iv) the complete or partial withdrawal by Viacom or any ERISA Affiliate under Section 4201 or 4204 of ERISA from a Multiemployer Plan, or the receipt by Viacom or any ERISA Affiliate of notice from a Multiemployer Plan that it is in reorganization or insolvency pursuant to Section 4241 or 4245 of ERISA or that it intends to terminate or has terminated under Section 4041A of ERISA;

(v) the institution of a proceeding by a fiduciary of any Multiemployer Plan against Viacom or any ERISA Affiliate to enforce Section 515 of ERISA, which proceeding is not dismissed within 30 days; and

(vi) a failure to make a required installment or other payment with respect to a Plan (within the meaning of Section 412(n) of the Code), in which case the notice required hereunder shall be provided within 10 days after the due date for filing notice of such failure with the PBGC;

(f) promptly after a Responsible Officer of Viacom knows or has reason to believe that any Default or Event of Default has occurred, a notice of such Default or Event of

Default describing it in reasonable detail and, together with such notice or as soon thereafter as possible, a description of the action that Viacom has taken and proposes to take with respect thereto;

(g) promptly after a Responsible Officer of Viacom knows that any change has occurred in Viacom's Debt Rating by either Rating Agency, a notice describing such change; and

(h) promptly from time to time such other information regarding the financial condition, operations or business of Viacom or any of its Subsidiaries (including, without limitation, any Plan or Multiemployer Plan and any reports or other information required to be filed under ERISA) as any Lender through the Administrative Agent may reasonably request.

Viacom will furnish to the Administrative Agent and each Lender, at the time it furnishes each set of financial statements pursuant to paragraph (a) or (b) above, a certificate (which may be a copy in the case of each Lender) of a Financial Officer of Viacom (a "Compliance Certificate") (i) to the effect that no Default or Event of Default has occurred and is continuing (or, if any Default or Event of Default has occurred and is continuing, describing it in reasonable detail and describing the action that Viacom has taken and proposes to take with respect thereto), and (ii) setting forth in reasonable detail the computations (including any pro forma calculations as described in Section 1.2(c)) necessary to determine whether Viacom is in compliance with the Financial Covenant as of the end of the respective quarterly fiscal period or fiscal year. Each Lender hereby agrees that Viacom may, in its discretion, provide any notice, report or other information to be provided pursuant to this Section 5.1 to such Lender by (i) electronic mail to the electronic mail address provided by such Lender and/or (ii) through access to a web site, including, without limitation, www.sec.gov.

SECTION 5.2. Corporate Existence, Etc. Viacom will, and will cause each of its Material Subsidiaries to, preserve and maintain its legal existence and all of its material rights, privileges and franchises (provided that (a) nothing in this Section 5.2 shall prohibit any transaction expressly permitted under Section 5.4, (b) the corporate existence of any Subsidiary (other than a Subsidiary Borrower or Viacom International) may be terminated if, in the good faith judgment of the board of directors or the chief financial officer of Viacom, such termination is in the best interests of Viacom and such termination would not have a Material Adverse Effect), and (c) Viacom or such Material Subsidiary shall not be required to preserve or maintain any such right, privilege or franchise if the Board of Directors of Viacom or such Material Subsidiary, as the case may be, shall determine that the preservation or maintenance thereof is no longer desirable in the conduct of the business of Viacom or such Material Subsidiary, as the case may be); comply with the requirements of all applicable laws, rules, regulations and orders of Governmental Authorities (including, without limitation, all Environmental Laws) and with all contractual obligations if failure to comply with such requirements or obligations would reasonably be expected to result in a Material Adverse Effect; pay and discharge all material taxes, assessments, governmental charges, levies or other obligations of whatever nature imposed on it or on its income or profits or on any of its Property prior to the date on which penalties attach thereto, except for any such tax, assessment, charge, levy or other obligation the payment of which is being contested in good

faith and by proper proceedings and against which adequate reserves are being maintained; maintain all its Property used or useful in its business in good working order and condition, ordinary wear and tear excepted, all as in the judgment of Viacom or such Material Subsidiary may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times (provided that Viacom or such Material Subsidiary shall not be required to maintain any such Property if the failure to maintain any such Property is, in the judgment of Viacom or such Material Subsidiary, desirable in the conduct of the business of Viacom or such Material Subsidiary); keep proper books of records and accounts in which entries that are full, true and correct in all material respects shall be made in conformity with GAAP; and permit representatives of any Lender, during normal business hours upon reasonable advance notice, to inspect any of its books and records and to discuss its business and affairs with its Financial Officers or their designees, all to the extent reasonably requested by such Lender.

SECTION 5.3. Insurance. Viacom will, and will cause each of its Material Subsidiaries to, keep insured by financially sound and reputable insurers all Property of a character usually insured by corporations engaged in the same or similar business and similarly situated against loss or damage of the kinds and in the amounts consistent with prudent business practice and carry such other insurance as is consistent with prudent business practice (it being understood that self-insurance shall be permitted to the extent consistent with prudent business practice).

SECTION 5.4. Prohibition of Fundamental Changes. Viacom will not, and will not permit any of its Material Subsidiaries to (i) enter into any transaction of merger, consolidation, liquidation or dissolution or (ii) Dispose of, in one transaction or a series of related transactions, all or a substantial part of the consolidated assets of Viacom and its Subsidiaries taken as a whole, whether now owned or hereafter acquired (excluding (x) financings by way of sales of receivables or inventory, (y) inventory or other Property Disposed of in the ordinary course of business and (z) obsolete or worn-out Property, tools or equipments no longer used or useful in its business). Notwithstanding the foregoing provisions of this Section 5.4:

(a) Viacom may consummate the Blockbuster Event;

(b) any Subsidiary of Viacom may be merged or consolidated with or into: (i) Viacom if Viacom shall be the continuing or surviving corporation or (ii) any other such Subsidiary; provided, that (x) if any such transaction shall be between a Subsidiary and a Wholly Owned Subsidiary, such Wholly Owned Subsidiary shall be the continuing or surviving corporation and (y) if any such transaction shall be between a Subsidiary and a Subsidiary Borrower, the continuing or surviving corporation shall be a Subsidiary Borrower;

(c) any Subsidiary of Viacom may distribute, dividend or Dispose of any of or all its Property (upon voluntary liquidation or otherwise) to Viacom or a Wholly Owned Subsidiary of Viacom;

(d) Viacom may merge or consolidate with or into any other Person (including, without limitation, Viacom International) if (i) either (x) Viacom is the continuing or surviving corporation or (y) the corporation formed by such consolidation or into which Viacom is merged shall be a corporation organized under the laws of the United States of America, any State thereof or the District of Columbia and shall expressly assume the obligations of Viacom hereunder pursuant to a written agreement and shall have delivered to the Administrative Agent such agreement and a certificate of a Responsible Officer and an opinion of counsel to the effect that such merger or consolidation complies with this Section 5.4(c), and (ii) after giving effect thereto and to any repayment of Loans to be made upon consummation thereof (it being expressly understood that no repayment of Loans is required solely by virtue thereof), no Default or Event of Default shall have occurred and be continuing;

(e) any Subsidiary of Viacom may merge or consolidate with or into any other Person if, after giving effect thereto and to any repayment of Loans to be made upon the consummation thereof (it being expressly understood that, except as otherwise expressly provided in Section 4.2 with respect to Subsidiary Borrowers, no repayment of Loans is required solely by virtue thereof), no Default or Event of Default shall have occurred and be continuing; and

(f) Viacom or any Subsidiary of Viacom may Dispose of its Property if, after giving effect thereto and to any repayment of Loans to be made upon the consummation thereof (it being expressly understood that, except as otherwise expressly provided in Section 4.2 with respect to Subsidiary Borrowers, no repayment of Loans is required solely by virtue thereof), no Default or Event of Default shall have occurred and be continuing.

SECTION 5.5. Limitation on Liens. Viacom shall not, directly or indirectly, create or suffer to exist, or permit any of its Subsidiaries to create or suffer to exist, any Lien upon or with respect to any of its Properties, whether now owned or hereafter acquired, or assign, or permit any of its Subsidiaries to assign, any right to receive income, in each case to secure or provide for the payment of any Indebtedness of any Person, except:

(a) purchase money Liens or purchase money security interests upon or in any Property acquired or held by Viacom or any Subsidiary of Viacom in the ordinary course of business to secure the purchase price of such Property or to secure Indebtedness incurred solely for the purpose of financing the acquisition of such Property;

(b) Liens existing on Property at the time of its acquisition (other than any such Lien created in contemplation of such acquisition);

(c) Liens on Property of Persons which become or became Subsidiaries securing Indebtedness existing, with respect to any such Person, on the date such Person becomes or became a Subsidiary (other than any such Lien created in contemplation of such Person becoming a Subsidiary);

(d) Liens securing Indebtedness incurred by Viacom or any Subsidiary of Viacom; provided, however, that the aggregate principal amount of Indebtedness referred to in this clause (d) secured by Liens shall not exceed \$30,000,000 at any time outstanding; and

(e) any Lien securing the renewal, extension or refunding of any Indebtedness secured by any Lien permitted by clause (a), (b), (c) or (d) above that does not extend to Indebtedness other than that which is being renewed, extended or refunded.

SECTION 5.6. Limitation on Subsidiary Indebtedness. Viacom will not permit any of its Subsidiaries to create, incur, assume or suffer to exist any Indebtedness (which includes, for the purposes of this Section 5.6, any preferred stock), except:

(a) Indebtedness of any Person which is acquired by Viacom or any of its Subsidiaries after the Closing Date, which Indebtedness was outstanding prior to the date of acquisition of such Person and was not created in anticipation thereof;

(b) any Indebtedness owing by Viacom or any of its Subsidiaries to Viacom or any of its Subsidiaries (including any intercompany Indebtedness created by the declaration of a note payable dividend by any Subsidiary to Viacom or any of its other Subsidiaries);

(c) Indebtedness (including backed-up commercial paper) of any Subsidiary Borrower or Viacom International under this Agreement;

(d) Indebtedness (including backed-up commercial paper) existing at any time under the 364-Day Credit Agreement or under the Existing Infinity Credit Agreement;

(e) Indebtedness outstanding on the Closing Date, with such Indebtedness outstanding as of September 30, 2000 being set forth on Schedule 5.6;

(f) any replacement, renewal, refinancing or extension of any Indebtedness permitted by Section 5.6(a) through (d) or set forth on Schedule 5.6 that does not exceed the aggregate principal amount (plus associated fees and expenses) of the Indebtedness being replaced, renewed, refinanced or extended (except that accrued and unpaid interest may be part of any refinancing); and

(g) Indebtedness incurred after the Closing Date; provided, that after giving effect thereto the aggregate principal amount of Indebtedness incurred pursuant to this paragraph (g) that is outstanding on such date (it being understood that, for the purposes of this paragraph (g), the term "Indebtedness" does not include Indebtedness excepted by any of clauses (a) through (f) inclusive) does not exceed the greater of (i) an aggregate principal amount in excess of 5% of Consolidated Tangible Assets (measured by reference to the then latest financial statements delivered pursuant to Section 5.1(a) or (b), as applicable) and (ii) \$800,000,000 at any time.

SECTION 5.7. Consolidated Coverage Ratio. Viacom will not permit the Consolidated Coverage Ratio for any period of four consecutive fiscal quarters to be less than 3.00 to 1.00.

SECTION 5.8. Use of Proceeds. On and after the Closing Date, each Borrower will use the proceeds of the Loans and will use the Letters of Credit hereunder solely for general corporate purposes, including, without limitation, acquisitions and commercial paper backup (in each case in compliance with all applicable legal and regulatory requirements, including, without limitation, Regulation U and the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and the regulations thereunder); provided, that neither any Agent, nor any Lender shall have any responsibility as to the use of any of such proceeds.

SECTION 5.9. Transactions with Affiliates. Excepting transactions directly or indirectly entered into pursuant to any agreement entered into prior to the Closing Date, or transactions contemplated by any agreement directly or indirectly entered into prior to the Closing Date, Viacom will not, and will not permit any of its Material Subsidiaries to, directly or indirectly enter into any material transaction with any Affiliate of Viacom except on terms at least as favorable to Viacom or such Subsidiary as it could obtain on an arm's-length basis.

ARTICLE VI

EVENTS OF DEFAULT.

In case of the happening of any of the following events ("Events of Default"):

(a) (i) any Borrower shall default in the payment when due of any principal of any Loan or (ii) any Borrower shall default in the payment when due of any interest on any Loan, any reimbursement obligation in respect of any LC Disbursement, any Fee or any other amount payable by it hereunder and, in the case of this clause (ii), such default shall continue unremedied for a period of five Business Days;

(b) any representation, warranty or certification made or deemed made herein (or in any modification or supplement hereto) by any Borrower, or any certificate furnished to any Lender or the Administrative Agent pursuant to the provisions hereof, shall prove to have been false or misleading in any material respect as of the time made, deemed made or furnished;

(c) (i) Viacom shall default in the performance of any of its obligations under Sections 5.7 or 5.8, (ii) Viacom shall default in the performance of any of its obligations under Section 5.4 and, in the case of this clause (ii), such default shall continue unremedied for a period of 5 days after notice thereof to Viacom by the Administrative Agent or the Required Lenders (through the Administrative Agent) or (iii) Viacom shall default in the performance of any of its other obligations under this Agreement and, in the case of this clause (iii), such default shall

continue unremedied for a period of 15 days after notice thereof to Viacom by the Administrative Agent or the Required Lenders (through the Administrative Agent);

(d) Viacom or any of its Subsidiaries shall (i) fail to pay at final maturity any Indebtedness in an aggregate amount in excess of \$250,000,000, or (ii) fail to make any payment (whether of principal, interest or otherwise), regardless of amount, due in respect of, or fail to observe or perform any other term, covenant, condition or agreement contained in any agreement or instrument evidencing or governing, any such Indebtedness, in excess of \$250,000,000 if the effect of any failure referred to in this clause (ii) has caused such Indebtedness to become due prior to its stated maturity (it being agreed that for purposes of this paragraph (d) only, the term "Indebtedness" shall include obligations under any interest rate protection agreement, foreign currency exchange agreement or other interest or exchange rate hedging agreement and that the amount of any Person's obligations under any such agreement shall be the net amount that such Person could be required to pay as a result of a termination thereof by reason of a default thereunder);

(e) Viacom or any of its Material Subsidiaries shall admit in writing its inability, or be generally unable, to pay its debts as such debts become due;

(f) Viacom or any of its Material Subsidiaries shall (i) apply for or consent to the appointment of, or the taking of possession by, a receiver, trustee or liquidator of itself or of all or a substantial part of its Property, (ii) make a general assignment for the benefit of its creditors, (iii) commence a voluntary case under the Bankruptcy Code (as now or hereafter in effect), (iv) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or readjustment of debts, (v) fail to controvert in a timely and appropriate manner, or acquiesce in writing to, any petition filed against it in an involuntary case under the Bankruptcy Code, or (vi) take any corporate action for the purpose of effecting any of the foregoing;

(g) a proceeding or a case shall be commenced, without the application or consent of Viacom or any of its Material Subsidiaries, in any court of competent jurisdiction, seeking (i) its liquidation, reorganization, dissolution or winding-up, or the composition or readjustment of its debts, (ii) the appointment of a trustee, receiver, custodian, liquidator or the like of Viacom or such Material Subsidiary or of all or any substantial part of its assets or (iii) similar relief in respect of Viacom or such Material Subsidiary under any law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed and in effect, for a period of 60 or more days; or an order for relief against Viacom or such Material Subsidiary shall be entered in an involuntary case under the Bankruptcy Code;

(h) a final judgment or judgments for the payment of money in excess of \$250,000,000 in the aggregate shall be rendered by one or more courts, administrative tribunals or other bodies having jurisdiction against Viacom and/or any of its Material Subsidiaries and the same shall not be paid or discharged (or provision shall not be made for such discharge), or a stay of execution thereof shall not be procured, within 60 days from the date of the date of entry thereof and Viacom or the relevant Material Subsidiary shall not, within said period of 60 days,

or such longer period during which execution of the same shall have been stayed, appeal therefrom and cause the execution thereof to be stayed during such appeal;

(i) an event or condition specified in Section 5.1(e) shall occur or exist with respect to any Plan or Multiemployer Plan and, as a result of such event or condition, together with all other such events or conditions, Viacom or any ERISA Affiliate shall incur or shall be reasonably likely to incur a liability to a Plan, a Multiemployer Plan or PBGC (or any combination of the foregoing) which would constitute a Material Adverse Effect; or

(j) The guarantee (i) by Viacom contained in Section 8.1 shall cease, for any reason, to be in full force and effect or Viacom shall so assert or (ii) by Viacom International contained in Section 8.2 shall cease, for any reason except pursuant to Section 8.2(g), to be in full force and effect or Viacom International shall so assert;

then and in every such event (other than an event with respect to Viacom described in paragraph (f) or (g) above), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to Viacom, take any or all of the following actions, at the same or different times: (I) terminate forthwith the Commitments, (II) declare the Loans then outstanding to be forthwith due and payable in whole or in part, whereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of each Borrower accrued hereunder, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by each Borrower, anything contained herein to the contrary notwithstanding, and (III) require that Viacom deposit cash with the Administrative Agent, in an amount equal to the Aggregate LC Exposure, as collateral security for the repayment of any future LC Disbursements; and in any event with respect to any Borrower described in paragraph (f) or (g) above, (A) if such Borrower is Viacom, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of each Borrower accrued hereunder, shall automatically become due and payable and Viacom shall be required to deposit cash with the Administrative Agent, in an amount equal to the Aggregate LC Exposure, as collateral security for the repayment of any future drawings under the Letters of Credit and (B) if such Borrower is a Subsidiary Borrower, the principal of the Loans made to such Subsidiary Borrower then outstanding, together with accrued interest thereon and all other liabilities of such Subsidiary Borrower accrued hereunder, shall automatically become due and payable and such Subsidiary Borrower shall be required to deposit cash with the Administrative Agent, in an amount equal to the outstanding Letters of Credit issued to such Subsidiary Borrower, as collateral security for the repayment of any future drawings under the Letters of Credit, in each case without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by each Borrower, anything contained herein to the contrary notwithstanding.

ARTICLE VII

THE AGENTS

In order to expedite the transactions contemplated by this Agreement, each Agent is hereby appointed to act as Agent on behalf of the Lenders. Each of the Lenders and the Issuing Lenders hereby irrevocably authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are specifically delegated to the Administrative Agent by the terms and provisions hereof, together with such actions and powers as are reasonably incidental thereto. Each of the US-Canadian Lenders hereby irrevocably authorizes the Canadian Administrative Agent to take such actions on its behalf and to exercise such powers as are specifically delegated to the Canadian Administrative Agent by the terms and provisions hereof, together with such actions and powers as are reasonably incidental thereto. The Administrative Agent is hereby expressly authorized by the Lenders and the Issuing Lenders, without hereby limiting any implied authority, (a) to receive on behalf of the Lenders all payments of principal of and interest on the Loans (excepting C\$ Loans) and the LC Disbursements and all other amounts due to the Lenders and Issuing Lenders (excepting with respect to the US-Canadian Lenders, any Fees or other fees payable under this Agreement) hereunder, and promptly to distribute to each Lender and Issuing Lender its proper share of each payment so received; (b) to give notice on behalf of each of the Lenders to the Borrowers of any Event of Default specified in this Agreement of which the Administrative Agent has actual knowledge acquired in connection with its agency hereunder; and (c) to distribute to each Lender and Issuing Lender copies of all notices, financial statements and other materials delivered by any Borrower pursuant to this Agreement as received by the Administrative Agent. The Canadian Administrative Agent is hereby expressly authorized by the US-Canadian Lenders, without hereby limiting any implied authority, (a) to receive on behalf of the US-Canadian Lenders all payments of principal of and interest on the C\$ Loans and all other amounts due to the US-Canadian Lenders hereunder (except in respect of their US\$-Canadian Loans), and promptly to distribute to each US-Canadian Lender its proper share of each payment so received; (b) to give notice on behalf of each of the US-Canadian Lenders to the Administrative Agent of any Event of Default specified in this Agreement of which the Canadian Administrative Agent has actual knowledge acquired in connection with its agency hereunder; and (c) to distribute to each US-Canadian Lender and the Administrative Agent copies of all notices, financial statements and other materials delivered by any Canadian Borrower pursuant to this Agreement as received by the Canadian Administrative Agent.

Neither any Agent nor any of its directors, officers, employees or agents shall be liable as such for any action taken or omitted by any of them except for its or his own gross negligence or willful misconduct, or be responsible for any statement, warranty or representation herein or the contents of any document delivered in connection herewith, or be required to ascertain or to make any inquiry concerning the performance or observance by any Borrower of any of the terms, conditions, covenants or agreements contained in this Agreement. The Agents shall not be responsible to the Lenders for the due execution, genuineness, validity, enforceability or effectiveness of this Agreement or other instruments or agreements. The Administrative Agent shall in all cases be fully protected in acting, or refraining from acting, in

accordance with written instructions signed by the Required Lenders (or, when expressly required hereby, all the Lenders) and, except as otherwise specifically provided herein, such instructions and any action or inaction pursuant thereto shall be binding on all the Lenders and the Issuing Lenders. The Administrative Agent and the Canadian Administrative Agent shall, in the absence of knowledge to the contrary, be entitled to rely on any instrument or document believed by it in good faith to be genuine and correct and to have been signed or sent by the proper Person or Persons. Neither the Agents nor any of their directors, officers, employees or agents shall have any responsibility to any Borrower on account of the failure of or delay in performance or breach by any Lender or Issuing Lender of any of its obligations hereunder or to any Lender or Issuing Lender on account of the failure of or delay in performance or breach by any other Agent, any other Lender or Issuing Lender or any Borrower of any of their respective obligations hereunder or in connection herewith. The Administrative Agent and the Canadian Administrative Agent may execute any and all duties hereunder by or through agents or employees and shall be entitled to rely upon the advice of legal counsel selected by the Administrative Agent with respect to all matters arising hereunder and shall not be liable for any action taken or suffered in good faith by it in accordance with the advice of such counsel.

The Lenders and the Issuing Lenders hereby acknowledge that neither the Administrative Agent nor the Canadian Administrative Agent shall be under any duty to take any discretionary action permitted to be taken by it pursuant to the provisions of this Agreement unless it shall be requested in writing to do so by (i) with respect to the Administrative Agent, the Required Lenders or the Required Revolving Lenders, as applicable, and (ii) with respect to the Canadian Administrative Agent, the Required Canadian Lenders.

Subject to the appointment and acceptance of a successor Administrative Agent as provided below, the Administrative Agent may resign at any time by notifying the Canadian Administrative Agent, the Lenders, the Issuing Lenders and the Borrowers. Upon any such resignation, the Required Lenders shall have the right to appoint from the Lenders a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint from the Lenders a successor Administrative Agent which shall be a bank with an office in New York, New York, having a combined capital and surplus of at least \$500,000,000 or an affiliate of any such bank, which successor shall be acceptable to Viacom (such acceptance not to be unreasonably withheld). Upon the acceptance of any appointment as Administrative Agent hereunder by a successor bank, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. After the Administrative Agent's resignation hereunder, the provisions of this Article and Section 9.5 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Administrative Agent.

Subject to the appointment and acceptance of a successor Canadian Administrative Agent as provided below, the Canadian Administrative Agent may resign at any time by notifying the Administrative Agent, the US-Canadian Lenders and the Borrowers. Upon any such resignation, the Required Canadian Lenders shall have the right to appoint from the US-Canadian Lenders a successor. If no successor shall have been so appointed by the Required

Canadian Lenders and shall have accepted such appointment within 30 days after the retiring Canadian Administrative Agent gives notice of its resignation, then the retiring Canadian Administrative Agent may, on behalf of the US-Canadian Lenders, appoint from the US-Canadian Lenders a successor Canadian Administrative Agent which shall be a bank with an office in New York, New York and in Toronto, Ontario, having a combined capital and surplus of at least \$500,000,000 or an affiliate of any such bank, which successor shall be acceptable to Viacom (such acceptance not to be unreasonably withheld). Upon the acceptance of any appointment as Canadian Administrative Agent hereunder by a successor bank, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Canadian Administrative Agent and the retiring Canadian Administrative Agent shall be discharged from its duties and obligations hereunder. After the Canadian Administrative Agent's resignation hereunder, the provisions of this Article and Section 9.5 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Canadian Administrative Agent.

With respect to the Loans made by them and their LC Exposure hereunder, the Agents in their individual capacity and not as Agents shall have the same rights and powers as any other Lender and may exercise the same as though they were not Agents, and the Agents and their affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrowers or any of their respective Subsidiaries or any Affiliate thereof as if they were not Agents.

Each Lender and Issuing Lender agrees (i) to reimburse the Administrative Agent and the Canadian Administrative Agent in the amount of its pro rata share (based on its Total Facility Percentage or, after the date on which the Loans shall have been paid in full, based on its Total Facility Percentage immediately prior to such date) of any reasonable, out-of-pocket expenses incurred for the benefit of the Lenders or the Issuing Lenders by the Administrative Agent or the Canadian Administrative Agent, as applicable, including reasonable counsel fees and compensation of agents and employees paid for services rendered on behalf of the Lenders or the Issuing Lenders, which shall not have been reimbursed by or on behalf of any Borrower and (ii) to indemnify and hold harmless the Administrative Agent and the Canadian Administrative Agent and any of their respective directors, officers, employees or agents, in the amount of such pro rata share, from and against any and all liabilities, taxes, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against it in its capacity as Administrative Agent or Canadian Administrative Agent, as applicable, in any way relating to or arising out of this Agreement or any action taken or omitted by it under this Agreement, to the extent the same shall not have been reimbursed by or on behalf of Viacom; provided, that no Lender or Issuing Lender shall be liable to the Administrative Agent, the Canadian Administrative Agent or any such director, officer, employee or agent for any portion of such liabilities, taxes, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the gross negligence or willful misconduct of the Administrative Agent, the Canadian Administrative Agent or any of their respective directors, officers, employees or agents, as applicable.

Each Lender and Issuing Lender acknowledges that it has, independently and without reliance upon the Agents or any other Lender or Issuing Lender and based on such

documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and Issuing Lender also acknowledges that it will, independently and without reliance upon any Agent or any other Lender or Issuing Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any related agreement or any document furnished hereunder or thereunder.

Neither the Syndication Agent, the Co-Documentation Agents, the Joint Lead Arrangers nor any managing agent shall have any duties or responsibilities hereunder in its capacity as such.

ARTICLE VIII

GUARANTEES

SECTION 8.1. Viacom Guarantee. (a) Guarantee. In order to induce the Administrative Agent and the Lenders to become bound by this Agreement and to make the Loans hereunder to the Subsidiary Borrowers, and in consideration thereof, Viacom hereby unconditionally and irrevocably guarantees, as primary obligor and not merely as surety, to the Administrative Agent, for the ratable benefit of the Lenders, the prompt and complete payment and performance by each Subsidiary Borrower when due (whether at stated maturity, by acceleration or otherwise) of the Subsidiary Borrower Obligations, and Viacom further agrees to pay any and all expenses (including, without limitation, all reasonable fees, charges and disbursements of counsel) which may be paid or incurred by the Administrative Agent or by the Lenders in enforcing, or obtaining advice of counsel in respect of, any of their rights under the guarantee contained in this Section 8.1(a). The guarantee contained in this Section 8.1(a), subject to Section 8.1(e), shall remain in full force and effect until the Subsidiary Borrower Obligations are paid in full and the Commitments are terminated, notwithstanding that from time to time prior thereto any Subsidiary Borrower may be free from any Subsidiary Borrower Obligations. Viacom agrees that whenever, at any time, or from time to time, it shall make any payment to the Administrative Agent or any Lender on account of its liability under this Section 8.1, it will notify the Administrative Agent and such Lender in writing that such payment is made under the guarantee contained in this Section 8.1 for such purpose. No payment or payments made by any Subsidiary Borrower or any other Person or received or collected by the Administrative Agent or any Lender from any Subsidiary Borrower or any other Person by virtue of any action or proceeding or any setoff or appropriation or application, at any time or from time to time, in reduction of or in payment of the Subsidiary Borrower Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of Viacom under this Section 8.1 which, notwithstanding any such payment or payments, shall remain liable for the unpaid and outstanding Subsidiary Borrower Obligations until, subject to Section 8.1(e), the Subsidiary Borrower Obligations are paid in full and the Commitments are terminated. Notwithstanding any other provision herein, the maximum liability of Viacom under this Section 8.1 shall in no event exceed the amount which can be guaranteed by Viacom under applicable law.

(b) No Subrogation, etc. Notwithstanding any payment or payments made by Viacom hereunder, or any set-off or application of funds of Viacom by the Administrative Agent or any Lender, Viacom shall not be entitled to be subrogated to any of the rights of the Administrative Agent or any Lender against any Subsidiary Borrower or against any collateral security or guarantee or right of offset held by the Administrative Agent or any Lender for the payment of the Subsidiary Borrower Obligations, nor shall Viacom seek or be entitled to seek any contribution, reimbursement, exoneration or indemnity from or against any Subsidiary Borrower in respect of payments made by Viacom hereunder, until all amounts owing to the Administrative Agent and the Lenders by the Subsidiary Borrowers on account of the Subsidiary Borrower Obligations are paid in full and the Commitments are terminated. So long as the Subsidiary Borrower Obligations remain outstanding, if any amount shall be paid by or on behalf of any Subsidiary Borrower or any other Person to Viacom on account of any of the rights waived in this Section 8.1, such amount shall be held by Viacom in trust, segregated from other funds of Viacom, and shall, forthwith upon receipt by Viacom, be turned over to the Administrative Agent in the exact form received by Viacom (duly indorsed by Viacom to the Administrative Agent, if required), to be applied against the Subsidiary Borrower Obligations, whether matured or unmatured, in such order as the Administrative Agent may determine.

(c) Amendments, etc. with respect to the Subsidiary Borrower Obligations. Viacom shall remain obligated under this Section 8.1 notwithstanding that, without any reservation of rights against Viacom, and without notice to or further assent by Viacom, any demand for payment of or reduction in the principal amount of any of the Subsidiary Borrower Obligations made by the Administrative Agent or any Lender may be rescinded by the Administrative Agent or such Lender, and any of the Subsidiary Borrower Obligations continued, and the Subsidiary Borrower Obligations, or the liability of any other party upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Administrative Agent or any Lender, and this Agreement and any other documents executed and delivered in connection herewith may be amended, modified, supplemented or terminated, in whole or in part, as the Required Lenders (or all Lenders, as the case may be) may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by the Administrative Agent or any Lender for the payment of the Subsidiary Borrower Obligations may be sold, exchanged, waived, surrendered or released. Neither the Administrative Agent nor any Lender shall have any obligation to protect, secure, perfect or insure any lien at any time held by it as security for the Subsidiary Borrower Obligations or for the guarantee contained in this Section 8.1 or any property subject thereto.

(d) Guarantee Absolute and Unconditional. Viacom waives any and all notice of the creation, renewal, extension or accrual of any of the Subsidiary Borrower Obligations and notice of or proof of reliance by the Administrative Agent or any Lender upon the guarantee contained in this Section 8.1 or acceptance of the guarantee contained in this Section 8.1; the Subsidiary Borrower Obligations

shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the guarantee contained in this Section 8.1; and all dealings between Viacom or the Subsidiary Borrowers, on the one hand, and the Administrative Agent and the Lenders, on the other, shall likewise be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in this Section 8.1. Viacom waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon Viacom or any Subsidiary Borrower with respect to the Subsidiary Borrower Obligations. The guarantee contained in this Section 8.1 shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity or enforceability of this Agreement, any of the Subsidiary Borrower Obligations or any collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Administrative Agent or any Lender, (b) the legality under applicable requirements of law of repayment by the relevant Subsidiary Borrower of any Subsidiary Borrower Obligations or the adoption of any requirement of law purporting to render any Subsidiary Borrower Obligations null and void, (c) any defense, setoff or counterclaim (other than a defense of payment or performance by the applicable Subsidiary Borrower) which may at any time be available to or be asserted by Viacom against the Administrative Agent or any Lender, or (d) any other circumstance whatsoever (with or without notice to or knowledge of Viacom or any Subsidiary Borrower) which constitutes, or might be construed to constitute, an equitable or legal discharge of any Subsidiary Borrower for any of its Subsidiary Borrower Obligations, or of Viacom under the guarantee contained in this Section 8.1, in bankruptcy or in any other instance. When the Administrative Agent or any Lender is pursuing its rights and remedies under this Section 8.1 against Viacom, the Administrative Agent or any Lender may, but shall be under no obligation to, pursue such rights and remedies as it may have against any Subsidiary Borrower or any other Person or against any collateral security or guarantee for the Subsidiary Borrower Obligations or any right of offset with respect thereto, and any failure by the Administrative Agent or any Lender to pursue such other rights or remedies or to collect any payments from any Subsidiary Borrower or any such other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of any Subsidiary Borrower or any such other Person or of any such collateral security, guarantee or right of offset, shall not relieve Viacom of any liability under this Section 8.1, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Administrative Agent and the Lenders against Viacom.

(e) Reinstatement. The guarantee contained in this Section 8.1 shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Subsidiary Borrower Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of any Subsidiary Borrower or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, any Subsidiary Borrower or any substantial part of its property, or otherwise, all as though such payments had not been made.

(f) Payments. Viacom hereby agrees that any payments in respect of the Subsidiary Borrower Obligations pursuant to this Section 8.1 will be paid to the Administrative Agent without setoff or counterclaim in Dollars at the office of the Administrative Agent specified in Section 9.1. Notwithstanding the foregoing, any payments in respect of the Subsidiary Borrower Obligations pursuant to this Section 8.1 with respect to any Loan denominated in any Multi-Currency (including principal of or interest on any such Loan or other amounts) hereunder shall be made without setoff or counterclaim to the Administrative Agent at its offices at Chase Manhattan International Ltd., 9 Thomas Moore Street, London E1-9YT United Kingdom, in immediately available funds.

SECTION 8.2. Viacom International Guarantee. (a) Guarantee. In order to induce the Administrative Agent and the Lenders to become bound by this Agreement and to make the Loans hereunder to Viacom, and in consideration thereof, Viacom International hereby unconditionally and irrevocably guarantees, as primary obligor and not merely as surety, to the Administrative Agent, for the ratable benefit of the Lenders, the prompt and complete payment and performance by Viacom when due (whether at stated maturity, by acceleration or otherwise) of the Viacom Obligations, and Viacom International further agrees to pay any and all expenses (including, without limitation, all reasonable fees, charges and disbursements of counsel) which may be paid or incurred by the Administrative Agent or by the Lenders in enforcing, or obtaining advice of counsel in respect of, any of their rights under the guarantee contained in this Section 8.2(a). The guarantee contained in this Section 8.2(a), subject to Section 8.2(e), shall remain in full force and effect until the Viacom Obligations are paid in full and the Commitments are terminated, notwithstanding that from time to time prior thereto Viacom may be free from any Viacom Obligations. Viacom International agrees that whenever, at any time, or from time to time, it shall make any payment to the Administrative Agent or any Lender on account of its liability under this Section 8.2, it will notify the Administrative Agent and such Lender in writing that such payment is made under the guarantee contained in this Section 8.2 for such purpose. No payment or payments made by Viacom or any other Person or received or collected by the Administrative Agent or any Lender from Viacom or any other Person by virtue of any action or proceeding or any setoff or appropriation or application, at any time or from time to time, in reduction of or in payment of the Viacom Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of Viacom International under this Section 8.2 which, notwithstanding any such payment or payments, shall remain liable for the unpaid and outstanding Viacom Obligations until, subject to Section 8.2(e), the Viacom Obligations are paid in full and the Commitments are terminated. Notwithstanding any other provision herein, the maximum liability of Viacom International under this Section 8.2 shall in no event exceed the amount which can be guaranteed by Viacom International under applicable law.

(b) No Subrogation, etc. Notwithstanding any payment or payments made by Viacom International hereunder, or any set-off or application of funds of Viacom International by the Administrative Agent or any Lender, Viacom International shall not be entitled to be subrogated to any of the

rights of the Administrative Agent or any Lender against Viacom or against any collateral security or guarantee or right of offset held by the Administrative Agent or any Lender for the payment of the Viacom Obligations, nor shall Viacom International seek or be entitled to seek any contribution, reimbursement, exoneration or indemnity from or against Viacom in respect of payments made by Viacom International hereunder, until all amounts owing to the Administrative Agent and the Lenders by Viacom on account of the Viacom Obligations are paid in full and the Commitments are terminated. So long as the Viacom Obligations remain outstanding, if any amount shall be paid by or on behalf of Viacom or any other Person to Viacom International on account of any of the rights waived in this Section 8.2, such amount shall be held by Viacom International in trust, segregated from other funds of Viacom International, and shall, forthwith upon receipt by Viacom International, be turned over to the Administrative Agent in the exact form received by Viacom International (duly indorsed by Viacom International to the Administrative Agent, if required), to be applied against the Viacom Obligations, whether matured or unmatured, in such order as the Administrative Agent may determine.

(c) Amendments, etc. with respect to the Viacom Obligations. Viacom International shall remain obligated under this Section 8.2 notwithstanding that, without any reservation of rights against Viacom International, and without notice to or further assent by Viacom International, any demand for payment of or reduction in the principal amount of any of the Viacom Obligations made by the Administrative Agent or any Lender may be rescinded by the Administrative Agent or such Lender, and any of the Viacom Obligations continued, and the Viacom Obligations, or the liability of any other party upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Administrative Agent or any Lender, and this Agreement and any other documents executed and delivered in connection herewith may be amended, modified, supplemented or terminated, in whole or in part, as the Required Lenders (or all Lenders, as the case may be) may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by the Administrative Agent or any Lender for the payment of the Viacom Obligations may be sold, exchanged, waived, surrendered or released. Neither the Administrative Agent nor any Lender shall have any obligation to protect, secure, perfect or insure any lien at any time held by it as security for the Viacom Obligations or for the guarantee contained in this Section 8.2 or any property subject thereto.

(d) Guarantee Absolute and Unconditional. Viacom International waives any and all notice of the creation, renewal, extension or accrual of any of the Viacom Obligations and notice of or proof of reliance by the Administrative Agent or any Lender upon the guarantee contained in this Section 8.2 or acceptance of the guarantee contained in this Section 8.2; the Viacom Obligations shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the guarantee contained in this Section 8.2; and all dealings between Viacom International or Viacom, on the one hand, and the Administrative Agent and the Lenders, on the other, shall likewise be conclusively presumed to have been had or consummated

in reliance upon the guarantee contained in this Section 8.2. Viacom International waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon Viacom International or Viacom with respect to the Viacom Obligations. The guarantee contained in this Section 8.2 shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity or enforceability of this Agreement, any of the Viacom Obligations or any collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Administrative Agent or any Lender, (b) the legality under applicable requirements of law of repayment by Viacom of any Viacom Obligations or the adoption of any requirement of law purporting to render any Viacom Obligations null and void, (c) any defense, setoff or counterclaim (other than a defense of payment or performance by Viacom) which may at any time be available to or be asserted by Viacom International against the Administrative Agent or any Lender, or (d) any other circumstance whatsoever (with or without notice to or knowledge of Viacom International or Viacom) which constitutes, or might be construed to constitute, an equitable or legal discharge of Viacom for any of its Viacom Obligations, or of Viacom International under the guarantee contained in this Section 8.2, in bankruptcy or in any other instance. When the Administrative Agent or any Lender is pursuing its rights and remedies under this Section 8.2 against Viacom International, the Administrative Agent or any Lender may, but shall be under no obligation to, pursue such rights and remedies as it may have against Viacom or any other Person or against any collateral security or guarantee for the Viacom Obligations or any right of offset with respect thereto, and any failure by the Administrative Agent or any Lender to pursue such other rights or remedies or to collect any payments from Viacom or any such other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of Viacom or any such other Person or of any such collateral security, guarantee or right of offset, shall not relieve Viacom International of any liability under this Section 8.2, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Administrative Agent and the Lenders against Viacom International.

(e) Reinstatement. The guarantee contained in this Section 8.2 shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Viacom Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Viacom or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, Viacom or any substantial part of its property, or otherwise, all as though such payments had not been made.

(f) Payments. Viacom International hereby agrees that any payments in respect of the Viacom Obligations pursuant to this Section 8.2 will be paid to the Administrative Agent without setoff or counterclaim in Dollars at the office of the Administrative Agent specified in Section 9.1. Notwithstanding the foregoing, any payments in respect of the Viacom Obligations pursuant to this Section 8.2 with respect to any Loan denominated in any Multi-Currency (including principal of or interest on any such Loan or other amounts) hereunder shall be made without

setoff or counterclaim to the Administrative Agent at its offices at Chase Manhattan International Ltd., 9 Thomas Moore Street, London E1-9YT United Kingdom, in immediately available funds.

(g) Release of Guarantee. Notwithstanding the foregoing, the guarantee contained in this Section 8.2 shall be released on the earlier of the date on which (i) all notes, debentures and bonds now or hereafter issued by Viacom which carry a Viacom International guarantee (the "Bonds") are paid in full and (ii) the guarantee of Viacom International with respect to the Bonds is released. On such date, this Section 8.2, including without limitation Section 8.2(e), shall be deemed to have no legal effect whatsoever.

ARTICLE IX

MISCELLANEOUS

SECTION 9.1. Notices. Notices and other communications provided for herein shall be in writing (or, where permitted to be made by telephone, shall be confirmed promptly in writing) and shall be delivered by hand or overnight courier service, mailed or sent by telecopier as follows:

(a) if to Viacom, to it at Viacom Inc., 1515 Broadway, New York, New York 10036, Attention of Vice President and Treasurer (Telecopy No. (212) 860-2341), with a copy to General Counsel (Telecopy No. (212) 975-9856);

(b) if to Viacom International, to it c/o Viacom Inc., 1515 Broadway, New York, New York 10036, Attention of Vice President and Treasurer (Telecopy No. (212) 860-2341), with a copy to General Counsel (Telecopy No. (212) 975-9856);

(c) if to the Administrative Agent, to it at The Chase Manhattan Bank, 270 Park Avenue, New York, New York 10017, Attention: William Rottino (Telecopy No. 212-270-1204), with a copy to The Chase Manhattan Bank, One Chase Manhattan Plaza, New York, New York, 10080, Attention: Camille Wilson (Telecopy No. 212-552-5700);

(d) if to any Issuing Lender, to it at the address for notices specified in the applicable Issuing Lender Agreement;

(e) if to a Lender, to it at its address (or telecopy number) set forth in Schedule 1.1 or in the Assignment and Acceptance pursuant to which such Lender shall have become a party hereto; and

(f) if to a Subsidiary Borrower, to it at its address set forth in the relevant Subsidiary Borrower Request.

Notwithstanding the foregoing, each of Viacom, any other Borrower, the Administrative Agent and the Issuing Lender may, in its discretion, provide any notice, report or other information to

be provided under this Agreement to a Lender by (i) electronic mail to the electronic mail address provided by such Lender in its Administrative Questionnaire and/or (ii) through access to a web site. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on (A) the date of receipt if delivered by hand or overnight courier service or sent by telecopy or electronic mail, (B) the date of posting if given by web site access, (C) the date of such telephone call, if permitted by the terms hereof and if promptly confirmed in writing, or (D) on the date five Business Days after dispatch by registered mail if mailed, in each case delivered, sent or mailed (properly addressed) to such party as provided in this Section 9.1 or in accordance with the latest unrevoked direction from such party given in accordance with this Section 9.1.

SECTION 9.2. Survival of Agreement. All representations and warranties made hereunder and in any certificate delivered pursuant hereto or in connection herewith shall be considered to have been relied upon by the Agents and the Lenders and shall survive the execution and delivery of this Agreement and the making of the Loans and other extensions of credit hereunder, regardless of any investigation made by the Agents or the Lenders or on their behalf.

SECTION 9.3. Binding Effect. This Agreement shall be binding upon and inure to the benefit of each Borrower, each Agent and each Lender and their respective successors and assigns, except that Viacom shall not have the right to assign its rights or obligations hereunder or any interest herein without the prior consent of all the Lenders.

SECTION 9.4. Successors and Assigns. (a) Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party, and all covenants, promises and agreements by or on behalf of each Borrower, any Agent or any Lender that are contained in this Agreement shall bind and inure to the benefit of their respective successors and assigns.

(b) Each Lender may assign to one or more assignees all or a portion of its interests, rights and obligations under this Agreement (including all or a portion of its Commitment or Swingline Commitment and the Loans at the time owing to it); provided, however, that (i) except in the case of an assignment to a Lender or a Lender Affiliate (other than if at the time of such assignment, such Lender or Lender Affiliate would be entitled to require any Borrower to pay greater amounts under Section 2.20(a) than if no such assignment had occurred, in which case such assignment shall be subject to the consent requirement of this clause (i)), Viacom and the Administrative Agent must give their prior written consent to such assignment (which consent shall not be unreasonably withheld or delayed), (ii) (x) except in the case of assignments to any Person that is a Lender prior to giving effect to such assignment, the amount of the aggregate Commitments and/or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$10,000,000 (or, if

applicable, the Dollar equivalent thereof), (y) the amount of the aggregate Commitments and/or Loans retained by any assigning Lender (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$10,000,000 (or, if applicable, the Dollar equivalent thereof), unless (in the case of clause (x) or (y) above) the assigning Lender's Commitment and Loans (other than any Competitive Loans) are being reduced to \$0 pursuant to such assignment, and (z) each assignment by each US-Canadian Lender of a Canadian Commitment shall be to an additional bank, financial institution or other entity that is engaged in the business of loaning money which has the established capability of providing C\$ Loans, (iii) the assignor and assignee shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of \$3,500 and (iv) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire. Upon acceptance and recording pursuant to Section 9.4(e), from and after the effective date specified in each Assignment and Acceptance, which effective date shall be at least five Business Days (or, with respect to Canadian Loans or Canadian Commitments, five Business Days (Canada)) after the execution thereof (or any lesser period to which the Administrative Agent and Viacom may agree), (A) the assignee with respect to a Facility hereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender to such Facility under this Agreement and (B) the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto (but shall continue to be entitled to the benefits of Sections 2.15, 2.16, 2.20 and 9.5 and subsection 3.7 of Annex II, as applicable, as well as to any Fees accrued for its account hereunder and not yet paid)). Notwithstanding the foregoing, any Lender or Issuing Lender assigning its rights and obligations under this Agreement may maintain any Competitive Loans or Letters of Credit made or issued by it outstanding at such time, and in such case shall retain its rights hereunder in respect of any Loans or Letters of Credit so maintained until such Loans or Letters of Credit have been repaid or terminated in accordance with this Agreement.

(c) By executing and delivering an Assignment and Acceptance, the assigning Lender thereunder and the assignee thereunder shall be deemed to confirm to and agree with each other and the other parties hereto as follows: (i) such assigning Lender warrants that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim created by such assigning Lender, (ii) except as set forth in clause (i) above, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or any other instrument or document furnished pursuant hereto, or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto or the financial condition of Viacom or any of its Subsidiaries or the performance or observance by Viacom or any of its Subsidiaries of any of its obligations under this Agreement or any other instrument or document furnished pursuant hereto; (iii) such assignee represents and warrants that it is legally authorized to enter into such Assignment and Acceptance; (iv) such assignee confirms that it has received a copy of this Agreement, together with copies of the most recent financial statements delivered pursuant to

Sections 3.2 and 5.1 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (v) such assignee will independently and without reliance upon the Administrative Agent, such assigning Lender or any other Agent or Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (vi) such assignee appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent by the terms hereof, together with such powers as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms all the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

(d) The Administrative Agent, acting for this purpose as agent of each Borrower, shall maintain at one of its offices in The City of New York a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount of the Loans owing to, each Lender under each Facility pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive in the absence of manifest error and each Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by any Borrower and any Lender at any reasonable time and from time to time upon reasonable prior notice.

(e) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, an Administrative Questionnaire completed in respect of the assignee (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) above and, if required, the written consent of Viacom and the Administrative Agent to such assignment, the Administrative Agent shall (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to Viacom.

(f) Each Lender may without the consent of any Borrower or the Agents sell participations to one or more banks, other financial institutions or other entities (provided, that any such other entity is a not a competitor of Viacom or any Affiliate of Viacom) all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans owing to it); provided, however, that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) the participating banks or other entities shall be entitled to the benefit of the cost protection provisions contained in Sections 2.15, 2.16 and 2.20 and subsection 3.7, as applicable, to the same extent as if they were Lenders under the Facility of the Lender which sold the participation to such participating bank (provided, that additional amounts payable to any Lender pursuant to Section 2.20 or subsection 3.7, as applicable, shall be determined as if such Lender had not sold any such participations) and (iv) the Borrowers, the Agents and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement, and such Lender shall retain the sole right to enforce the obligations of each Borrower relating to the Loans and the Letters of Credit and to approve any amendment,

modification or waiver of any provision of this Agreement (other than amendments, modifications or waivers decreasing any fees payable hereunder or the amount of principal of or the rate at which interest is payable on the Loans or LC Disbursements, extending any scheduled principal payment date or date fixed for the payment of interest on the Loans or LC Disbursements or of LC Fees or Facility Fees or Acceptance Fees, increasing the amount of or extending the Commitments under the relevant Facility or releasing the guarantee contained in Section 8.1 or 8.2 (except in accordance with Section 8.2(g)), in each case to the extent the relevant participant is directly affected thereby).

(g) Any Lender or participant may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 9.4, disclose to the assignee or participant or proposed assignee or participant any information relating to any Borrower furnished to such Lender by or on behalf of such Borrower; provided, that, prior to any such disclosure of information designated by such Borrower as confidential, each such assignee or participant or proposed assignee or participant shall execute a Confidentiality Agreement whereby such assignee or participant shall agree (subject to the exceptions set forth therein) to preserve the confidentiality of such confidential information. A copy of each such Confidentiality Agreement executed by an assignee shall be promptly furnished to Viacom. It is understood that confidential information relating to the Borrowers would not ordinarily be provided in connection with assignments or participations of Competitive Loans.

(h) Notwithstanding the limitations set forth in paragraph (b) above, (i) any Lender may at any time assign or pledge all or any portion of its rights under this Agreement to a Federal Reserve Bank and (ii) any Lender which is a "fund" may at any time assign or pledge all or any portion of its rights under this Agreement to secure such Lender's indebtedness, in each case without the prior written consent of any Borrower or the Administrative Agent; provided, that each such assignment shall be made in accordance with applicable law and no such assignment shall release a Lender from any of its obligations hereunder. In order to facilitate any such assignment, each Borrower shall, at the request of the assigning Lender, duly execute and deliver to the assigning Lender a registered promissory note or notes evidencing the Loans made to such Borrower by the assigning Lender hereunder.

(i) Notwithstanding anything to the contrary contained herein, any Bank (a "Granting Bank") may grant to a special purpose funding vehicle (a "SPC"), identified as such in writing from time to time by the Granting Bank to the Administrative Agent and the relevant Borrower, the option to provide to such Borrower all or any part of any Loan that such Granting Bank would otherwise be obligated to make to such Borrower pursuant to this Agreement; provided, that (i) nothing herein shall constitute a commitment by any SPC to make any Loan, and (ii) if an SPC elects not to exercise such option or otherwise fails to provide all or any part of such Loan, the Granting Bank shall be obligated to make such Loan pursuant to the terms hereof. The making of a Loan by an SPC hereunder shall utilize the Commitment of the Granting Bank to the same extent, and as if, such Loan were made by such Granting Bank. Each party hereto hereby agrees that no SPC shall be liable for any indemnity or similar payment obligation under this Agreement (all liability for which shall remain with the Granting Bank). In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior indebtedness of any SPC, it will not institute

against, or join any other person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under the laws of the United States or any State thereof. In addition, notwithstanding anything to the contrary contained in this Section, any SPC may (i) with notice to, but without the prior written consent of, the relevant Borrower and the Administrative Agent and without paying any processing fee therefor, assign all or a portion of its interests in any Loans to the Granting Bank or to any financial institutions (consented to by such Borrower and the Administrative Agent) providing liquidity and/or credit support to or for the account of such SPC to support the funding or maintenance of Loans and (ii) disclose on a confidential basis any non-public information relating to its Loans to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancement to such SPC. This section may not be amended without the written consent of any SPC which has been identified as such by the Granting Bank to the Administrative Agent and the relevant Borrower and which then holds any Loan pursuant to this paragraph (i).

(j) Neither Viacom nor any Subsidiary Borrower shall assign or delegate any of its rights or duties hereunder without the prior consent of all the Lenders; provided, Viacom may assign or delegate any of its rights or duties hereunder (excepting its rights and duties pursuant to Section 8.1) to any Subsidiary Borrower and any Subsidiary Borrower may assign or delegate any of its rights or duties hereunder to Viacom or (excepting Viacom International's rights and duties pursuant to 8.2) to any other Subsidiary Borrower, in each case without the prior consent of the Lenders unless such assignment would adversely affect the Lenders; provided, further, Viacom may and any Subsidiary Borrower may assign or delegate any of its rights and duties hereunder pursuant to a merger or consolidation permitted by Section 5.4(b) or (d) without the prior consent of the Lenders.

SECTION 9.5. Expenses; Indemnity. (a) Viacom agrees to pay all reasonable legal and other out-of-pocket expenses incurred by JP Morgan, a division of Chase Securities Inc., in its capacity as a Joint Lead Arranger and in its capacity as the Sole Bookrunner, and by the Administrative Agent and their respective affiliates in connection with the preparation, negotiation, execution and delivery of this Agreement or in connection with any amendments, modifications or waivers of the provisions hereof (whether or not the transactions hereby contemplated shall be consummated) or incurred by any Agent, any Lender or any Issuing Lender in connection with the enforcement or protection of the rights of the Agents, the Lenders or the Issuing Lenders under this Agreement or in connection with the Loans made or the Letters of Credit issued hereunder, including, without limitation, the reasonable fees, charges and disbursements of Simpson Thacher & Bartlett (as set forth the in the Letter Agreement, dated as of February 2, 2001, between Simpson Thacher & Bartlett and Viacom), counsel for JP Morgan, a division of Chase Securities Inc., in its capacity as a Joint Lead Arranger and in its capacity as the Sole Bookrunner, and the Administrative Agent, and, in connection with any such enforcement or protection, the reasonable fees, charges and disbursements of any other counsel for any Agent, Lender or Issuing Lender.

(b) Viacom agrees to indemnify and hold harmless each Agent, each Lender, each Issuing Lender and each of their respective directors, officers, employees, affiliates and agents (each, an "Indemnified Person") against, and to reimburse each Indemnified Person, upon

its demand, for, any losses, claims, damages, liabilities or other expenses ("Losses"), to which such Indemnified Person becomes subject insofar as such Losses arise out of or in any way relate to or result from (i) the execution or delivery of this Agreement, any Letter of Credit or any agreement or instrument contemplated hereby (and any amendment hereto or thereto), the performance by the parties hereto or thereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby or (ii) the use (or proposed use) of the proceeds of the Loans or other extensions of credit hereunder, including, without limitation, Losses consisting of reasonable legal, settlement or other expenses incurred in connection with investigating, defending or participating in any legal proceeding relating to any of the foregoing (whether or not such Indemnified Person is a party thereto); provided, that the foregoing will not apply to any Losses to the extent they are found by a final decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Indemnified Person. No Indemnified Person shall be liable for any damages arising from the use by others of Information or other materials obtained through electronic, telecommunications or other information transmission systems (provided, that the foregoing will not apply to any Losses to the extent they are found by a final decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Indemnified Person).

(c) The provisions of this Section 9.5 shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the transactions contemplated hereby, the repayment of any of the Loans, the invalidity or unenforceability of any term or provision of this Agreement or any investigation made by or on behalf of any Agent or Lender. All amounts under this Section 9.5 shall be payable on written demand therefor.

SECTION 9.6. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Agent and each Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Agent or Lender to or for the credit or the account of any Borrower against any of and all the obligations of such Borrower now or hereafter existing under this Agreement or the Administrative Agent Fee Letter held by such Agent or Lender which shall be due and payable. The rights of each Agent and each Lender under this Section 9.6 are in addition to other rights and remedies (including other rights of setoff) which such Agent or Lender may have.

SECTION 9.7. APPLICABLE LAW. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

SECTION 9.8. Waivers; Amendment. (a) No failure or delay of any Agent, any Issuing Lender or any Lender in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or

partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Agents, the Issuing Lenders and the Lenders hereunder are cumulative and are not exclusive of any rights or remedies which they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any Borrower from any such provision shall in any event be effective unless the same shall be permitted by paragraph (b) below, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on any Borrower in any case shall entitle any Borrower to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement in writing entered into by the Borrowers and the Required Lenders; provided, however, that no such agreement shall (i) reduce the amount or extend the scheduled date of maturity of any Loan or of any installment thereof, or reduce the stated amount of any LC Disbursement, interest or fee payable hereunder or extend the scheduled date of any payment thereof or increase the amount or extend the expiration date of any Commitment of any Lender, in each case without the prior written consent of each Lender directly affected thereby; (ii) amend, modify or waive any provision of this Section 9.8(b), or reduce the percentage specified in the definition of "Required Lenders", release the guarantee contained in Section 8.1 or 8.2 (except in accordance with Section 8.2(g)) or consent to the assignment or delegation by Viacom or any Subsidiary Borrower of any of its rights and obligations under this Agreement (except (A) by Viacom (excepting its rights and duties pursuant to Section 8.1) to any Subsidiary Borrower or (B) by any Subsidiary Borrower to Viacom or (excepting Viacom International's rights and duties pursuant to Section 8.2) to any other Subsidiary Borrower and as set forth in Section 9.4(j)), in each case without the prior written consent of all the Lenders, (iii) reduce the percentage specified in the definition of (A) "Required US-Canadian Lenders" without the prior written consent of all US-Canadian Lenders (it being understood that the consent of the Required Revolving Lenders shall not also be required) or (B) "Required Revolving Lenders" without the prior written consent of all Lenders (excluding US-Canadian Lenders) (it being understood that the consent of the Required US-Canadian Lenders shall not also be required); (iv) amend, modify or waive any provision of Annex II or any provision with respect to the US\$-Canadian Loans, C\$ Loans or Canadian Commitments without the prior written consent of the Required US-Canadian Lenders (it being understood that the consent of the Required Revolving Lenders or the Required Lenders shall not be required), (v) amend, modify or waive any provision with respect to the Revolving Credit Loans or Revolving Commitments without the prior written consent of the Required Revolving Lenders (it being understood that the consent of the Required US-Canadian Lenders or the Required Lenders shall not be required) or (vi) amend, modify or waive any provision of Article VII without the prior written consent of each Agent affected thereby; provided, further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent, the Swingline Lenders or the Issuing Lenders hereunder in such capacity without the prior written consent of the Administrative Agent, each Swingline Lender directly affected thereby or each Issuing Lender directly affected thereby, as the case may be.

SECTION 9.9. Entire Agreement. This Agreement (together with the Issuing Lender Agreements, the Subsidiary Borrower Designations and the Subsidiary Borrower Requests) constitutes the entire contract between the parties relative to the subject matter hereof. Any previous agreement among the parties with respect to the subject matter hereof is superseded by this Agreement. Nothing in this Agreement, expressed or implied, is intended to confer upon any party other than the parties hereto any rights, remedies, obligations or liabilities under or by reason of this Agreement.

SECTION 9.10. Waiver of Jury Trial. Each party hereto hereby waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any litigation directly or indirectly arising out of, under or in connection with this Agreement. Each party hereto (a) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it and the other parties hereto have been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this Section 9.10.

SECTION 9.11. Severability. In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 9.12. Counterparts. This Agreement may be executed in two or more counterparts, each of which constitute an original but all of which when taken together shall constitute but one contract, and shall become effective as provided in Section 9.3.

SECTION 9.13. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 9.14. Jurisdiction; Consent to Service of Process. (a) Each Borrower hereby irrevocably and unconditionally submits, for itself and its Property, to the nonexclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard

and determined in such New York State court or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each Subsidiary Borrower designates and directs Viacom at its offices at 1515 Broadway, New York, New York 10036, as its agent to receive service of any and all process and documents on its behalf in any legal action or proceeding referred to in this Section 9.14 in the State of New York and agrees that service upon such agent shall constitute valid and effective service upon such Subsidiary Borrower and that failure of Viacom to give any notice of such service to any Subsidiary Borrower shall not affect or impair in any way the validity of such service or of any judgment rendered in any action or proceeding based thereon. Nothing in this Agreement shall affect any right that any Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against any Borrower or its Properties in the courts of any jurisdiction.

(b) Each Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any New York State or Federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.1. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.15. Confidentiality. (a) Each Lender agrees to keep confidential and not to disclose (and to cause its affiliates, officers, directors, employees, agents and representatives to keep confidential and not to disclose) and, at the request of Viacom (except as provided below or if such Lender is required to retain any Confidential Information (as defined below) pursuant to customary internal or banking practices, bank regulations or applicable law), promptly to return to Viacom or destroy the Confidential Information and all copies thereof, extracts therefrom and analyses or other materials based thereon, except that such Lender shall be permitted to disclose Confidential Information (i) to such of its officers, directors, employees, agents, affiliates and representatives as need to know such Confidential Information in connection with such Lender's participation in this Agreement, each of whom shall be informed by such Lender of the confidential nature of the Confidential Information and shall agree to be bound by the terms of this Section 9.15; (ii) to the extent required by applicable laws and regulations or by any subpoena or similar legal process or requested by any Governmental Authority or agency having jurisdiction over such Lender; provided, however, that, except in the case of disclosure to bank regulators or examiners in accordance with customary banking practices, if legally permitted written notice of each instance in which Confidential Information is required or requested to be disclosed shall be furnished to Viacom not less than 30 days prior to the expected date of such disclosure or, if 30 days' notice is not practicable under the circumstances, as promptly as practicable under the circumstances; (iii) to the extent such Confidential Information (A) is or becomes publicly available other than as a result of a breach of this Agreement, (B) becomes available to such Lender on a non-

confidential basis from a source other than a party to this Agreement or any other party known to such Lender to be bound by an agreement containing a provision similar to this Section 9.15 or (C) was available to such Lender on a non-confidential basis prior to this disclosure to such Lender by a party to this Agreement or any other party known to such Lender to be bound by an agreement containing a provision similar to this Section 9.15; (iv) as permitted by Section 9.4(g); or (v) to the extent Viacom shall have consented to such disclosure in writing. As used in this Section 9.15, "Confidential Information" shall mean any materials, documents or information furnished by or on behalf of any Borrower in connection with this Agreement designated by or on behalf of such Borrower as confidential.

(b) Each Lender (i) agrees that, except to the extent the conditions referred to in subclause (A), (B) or (C) of clause (iii) of paragraph (a) above have been met and as provided in paragraph (c) below, (A) it will use the Confidential Information only in connection with its participation in this Agreement and (B) it will not use the Confidential Information in connection with any other matter or in a manner prohibited by any law, including, without limitation, the securities laws of the United States and (ii) understands that breach of this Section 9.15 might seriously prejudice the interest of the Borrowers and that the Borrowers are entitled to equitable relief, including an injunction, in the event of such breach.

(c) Notwithstanding anything to the contrary contained in this Section 9.15, each Agent and each Lender shall be entitled to retain all Confidential Information for so long as it remains an Agent or a Lender to use solely for the purposes of servicing the credit and protecting its rights hereunder.

SECTION 9.16. Waiver of Notice of Termination Period. By its execution of this Agreement, each Lender hereby waives any right to notice of termination, or any notice period with respect to the termination, of any Existing Credit Agreement that such Lender may have had under such Existing Credit Agreement.

[Remainder of the page left blank intentionally; Signature page to follow.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

VIACOM INC.

By: /s/ Robert G. Freedline

Name: Robert G.Freedline
Title: Vice President and Treasurer

VIACOM INTERNATIONAL INC.

By: /s/ Robert G. Freedline

Name: Robert G.Freedline
Title: Vice President and Treasurer

THE CHASE MANHATTAN BANK, as
Administrative Agent and as a Lender

By: /s/ Thomas H. Kozlark

Name: Thomas H. Kozlark
Title: Vice President

SALOMON SMITH BARNEY INC., as
Syndication Agent and as a Lender

By: /s/ Carolyn A. Kee

Name: Carolyn A. Kee
Title: Attorney-in-Fact

FLEET NATIONAL BANK, as Co-Documentation
Agents and as a Lender

By: /s/ Laura Neenan

Name: Laura Neenan
Title: Assistant Vice President

BANK OF AMERICA, N.A., as Co-Documentation
Agents and as a Lender

By: /s/ Thomas J. Kane

Name: Thomas J. Kane
Title: Vice President

THE CHASE MANHATTAN BANK, TORONTO BRANCH,
as a Lender,

By: /s/ Christine Chan

Name: Christine Chan
Title: Authorized Representative

By: /s/ Sara Collins

Name: Sara Collins
Title: Authorized Representative

CITIBANK, N.A., as a Lender,

By: /s/ Elizabeth H. Minnella

Name: Elizabeth H. Minnella
Title: Vice President

CITIBANK CANADA, as a Lender,

By: /s/ Adam Shepherd

Name: Adam Shepherd
Title: Vice President

BANK OF AMERICA CANADA, as a Lender,

By: /s/ Donald R. Chung

Name: Donald R. Chung
Title: Vice President, Corporate Investment
Banking

THE SUMITOMO BANK, LIMITED, as a Lender,

By: /s/ C. Michael Garrido

Name: C. Michael Garrido
Title: Senior Vice President

THE BANK OF NEW YORK, as a Lender,

By: /s/ John R. Ciulla

Name: John R. Ciulla
Title: Vice President

THE BANK OF TOKYO-MITSUBISHI, LTD., NY
BRANCH, as a Lender,

By: /s/ J.J. Wallace, Jr.

Name: J.J. Wallace, Jr.
Title: Executive Vice President

DEUTSCHE BANK A.G., NEW YORK BRANCH
and/or CAYMAN ISLANDS BRANCH, as a Lender,

By: /s/ William W. McGinty

Name: William W. McGinty
Title: Director

By: /s/ Irene Egues

Name: Irene Egues
Title: Vice President

DEUTSCHE BANK CANADA, as a Lender,

By: /s/ Robert A. Johnson

Name: Robert A. Johnson
Title: Vice President

By: /s/ Jens Lohmueller

Name: Jens Lohmueller
Title: Assistant Vice President

THE DAI-ICHI KANGYO BANK, LTD. (dba
Mizuho Financial Group), as a Lender,

By: /s/ Marvin Mirel Lazar

Name: Marvin Mirel Lazar
Title: Vice President

THE FUJI BANK, LIMITED, as a Lender,

By: /s/ Nobuoki Koike

Name: J.J. Wallace, Jr.
Title: Vice President & Senior Team Leader

THE INDUSTRIAL BANK OF JAPAN, LIMITED
(d.b.a. Mizuho Financial Group),
as a Lender,

By: /s/ William Kennedy

Name: William Kennedy
Title: Senior Vice President

THE BANK OF NOVA SCOTIA, as a Lender,

By: /s/ Vincent J. Fitzgerald, Jr.

Name: Vincent J. Fitzgerald, Jr.
Title: Authorized Signatory

BARCLAYS BANK PLC, as a Lender,

By: /s/ Daniele Iacovone

Name: Daniele Iacovone
Title: Director

THE SANWA BANK, LIMITED, NEW YORK BRANCH,
as a Lender,

By: /s/ Jean-Michel Fatovic

Name: Jean-Michel Fatovic
Title: Vice President

DRESDNER BANK AG, NEW YORK AND
GRAND CAYMAN BRANCHES, as a Lender,

By: /s/ Laura G. Fazio

Name: Laura G. Fazio
Title: First Vice President

By: /s/ Brian Schneider

Name: Brian Schneider
Title: Assistant Vice President

MELLON BANK, N.A., as a Lender,

By: /s/ Raghunatha Reddy

Name: Raghunatha Reddy
Title: Lending Officer

CREDIT SUISSE FIRST BOSTON, as a Lender,

By: /s/ Kristin Lepri

Name: Kristin Lepri
Title: Associate

By: /s/ Bill O'Daly

Name: Bill O'Daly
Title: Vice President

CREDIT SUISSE FIRST BOSTON CANADA,
as a Lender,

By: /s/ W.M. McFarland

Name: W.M. McFarland
Title: Vice President

By: /s/ Peter Chauvin

Name: Peter Chauvin
Title: Vice President

BANK ONE, NA, as a Lender,

By: /s/ Curtis R. Worthington

Name: Curtis R. Worthington
Title: Corporate Banking Officer

BANK ONE CANADA (to be BANK ONE, NA,
CANADA BRANCH as of 3/31/01 and thereafter),
as a Lender,

By: /s/ Kelly T. Cotton

Name: Kelly T. Cotton
Title: First Vice President

THE ROYAL BANK OF SCOTLAND PLC, as a Lender,

By: /s/ David Lucas

Name: David Lucas
Title: Senior Vice President

WACHOVIA BANK, N.A., as a Lender,

By: /s/ J. Timothy Toler

Name: J. Timothy Toler
Title: Senior Vice President

WESTDEUTSCHE LANDESBANK
GIROZENTRALE, NEW YORK BRANCH, as a Lender,

By: /s/ Lucie L. Guernsey

Name: Lucie L. Guernsey
Title: Director

By: /s/ Pascal Kabemba

Name: Pascal Kabemba
Title: Associate Director

LLOYDS TSB BANK PLC, as a Lender,

By: /s/ Windsor R. Davies

Name: Windsor R. Davies
Title: Director, Corporate Bank, USA

By: /s/ David Rodway

Name: David Rodway
Title: Vice President

THE NORINCHUKIN BANK, NEW YORK BRANCH,
as a Lender,

By: /s/ Yoshiro Niino

Name: Yoshiro Niino
Title: General Manager

SUNTRUST BANK, as a Lender,

By: /s/ W. David Wisdom

Name: W. David Wisdom
Title: Vice President

ABN AMRO BANK NV, as a Lender,

By: /s/ David Carrington

Name: David Carrington
Title: Group Vice President

By: /s/ Thomas Cha

Name: Thomas Cha
Title: Corporate Banking Officer

UBS AG, STAMFORD BRANCH, as a Lender,

By: /s/ Dorothy L. McKinley

Name: Dorothy L. McKinley
Title: Director Banking Product Services, US

By: /s/ Wilfred V. Saint

Name: Wilfred V. Saint
Title: Associate Director Banking Product
Services, US

MERRILL LYNCH BANK USA, as a Lender,

By: /s/ Raymond J. Dardano

Name: Raymond J. Dardano
Title: Senior Credit Officer

NATIONAL AUSTRALIA BANK LIMITED, A.C.N.
004044937, as a Lender,

By: /s/ Eduardo Salazar

Name: Eduardo Salazar
Title: Head of Media & Entertainment

THE TOKAI BANK, LIMITED - NEW YORK
BRANCH, as a Lender,

By: /s/ Shinichi Nakatani

Name: Shinichi Nakatani

Title: Assistant General Manager

\$2,000,000,000

364-DAY CREDIT AGREEMENT

among

VIACOM INC.,

VIACOM INTERNATIONAL INC.,

THE SUBSIDIARY BORROWERS PARTIES HERETO,

THE LENDERS NAMED HEREIN,

THE CHASE MANHATTAN BANK,
as Administrative Agent,

SALOMON SMITH BARNEY INC.,
as Syndication Agent, and

FLEET NATIONAL BANK AND BANK OF AMERICA, N.A.,
as Co-Documentation Agents

Dated as of March 7, 2001

JP MORGAN, A DIVISION OF CHASE SECURITIES INC.

and

SALOMON SMITH BARNEY INC.,
as Joint Lead Arrangers

JP MORGAN, A DIVISION OF CHASE SECURITIES INC.,
as Sole Bookrunner

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ANNEXES

Annex I

Pricing Grid

EXHIBITS

Exhibit A	Administrative Questionnaire
Exhibit B-1	Form of Revolving Credit Borrowing Request
Exhibit B-2	Form of Subsidiary Borrower Designation
Exhibit B-3	Form of Subsidiary Borrower Request
Exhibit C	Form of Assignment and Acceptance
Exhibit D	Form of Confidentiality Agreement
Exhibit E	Form of Closing Certificate
Exhibit F	Form of New Lender Supplement
Exhibit G	Form of Commitment Increase Letter

SCHEDULES

Schedule 1.1	Commitments; Addresses for Notices
Schedule 1.1(a)	Guarantees
Schedule 5.6	Subsidiary Indebtedness

364-DAY CREDIT AGREEMENT entered into as of March 7, 2001, among VIACOM INC., a Delaware corporation ("Viacom"), each Subsidiary Borrower (as herein defined); VIACOM INTERNATIONAL INC., a Delaware corporation ("Viacom International"); the lenders whose names appear on Schedule 1.1 hereto or who subsequently become parties hereto as provided herein (the "Lenders"); THE CHASE MANHATTAN BANK, a New York banking corporation ("Chase"), as administrative agent for the Lenders; SALOMON SMITH BARNEY INC., a New York corporation, as syndication agent for the Lenders (in such capacity, the "Syndication Agent"); and FLEET NATIONAL BANK, a national banking corporation, and BANK OF AMERICA, N.A., a national banking corporation, as co-documentation agents for the Lenders (in such capacity, the "Co-Documentation Agents").

W I T N E S S E T H :

WHEREAS, Viacom has requested that the Lenders provide extensions of credit to it and to certain Subsidiary Borrowers to be used for general corporate purposes (including, without limitation, acquisitions and commercial paper backup), which extensions of credit shall enable the Borrowers (as herein defined) to borrow loans in an aggregate amount not to exceed \$2.0 billion (except as increased or reduced pursuant to Section 2.10) on a revolving credit basis on and after the Closing Date (as herein defined) and prior to the Revolving Credit Maturity Date (as herein defined); and

WHEREAS, the Lenders are willing to extend credit to the Borrowers on the terms and subject to the conditions herein set forth;

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. Defined Terms. As used in this Agreement, the following terms shall have the meanings specified below:

"ABR Loan" shall mean any Loan bearing interest at a rate determined by reference to the Alternate Base Rate in accordance with the provisions of Article II.

"Administrative Agent" shall mean Chase, together with its affiliates, as an arranger of the Commitments and as the administrative agent for the Lenders under this Agreement, and any successor thereto pursuant to Article VII.

"Administrative Agent Fee Letter" shall mean the Fee Letter with respect to this Agreement between Viacom and the Administrative Agent, as amended, supplemented or otherwise modified from time to time.

"Administrative Agent's Fees" shall have the meaning assigned to such term in Section 2.6(b).

"Administrative Questionnaire" shall mean an Administrative Questionnaire in the form of Exhibit A hereto.

"Affiliate" shall mean, as to Viacom, any Person which directly or indirectly controls, is under common control with or is controlled by Viacom. As used in this definition, "control" (including, with correlative meanings, "controlled by" and "under common control with") shall mean possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise); provided that, in any event, any Person which owns directly or indirectly 10% or more of the securities having ordinary voting power for the election of directors or other governing body of a corporation or 10% or more of the partnership or other ownership interests of any other Person (other than as a limited partner of such other Person) will be deemed to control such corporation or other Person. Notwithstanding the foregoing, (a) no individual shall be deemed to be an Affiliate of Viacom solely by reason of his or her being an officer, director or employee of Viacom or any of its Subsidiaries and (b) Viacom and Viacom International and their Subsidiaries shall not be deemed to be Affiliates of each other, unless expressly stated to the contrary.

"Agents" shall mean the collective reference to the Administrative Agent, the Co-Documentation Agents, the Joint Lead Arrangers, the Sole Bookrunner and the Syndication Agent.

"Agreement" shall mean this 364-Day Credit Agreement, as amended, supplemented or otherwise modified from time to time.

"Alternate Base Rate" shall mean, for any day, a rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the greater of (a) the Prime Rate in effect on such day and (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1%. For purposes hereof, "Prime Rate" shall mean the rate of interest per annum publicly announced from time to time by the Lender serving as the Administrative Agent as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective on the date such change is publicly announced as effective; and "Federal Funds Effective Rate" shall mean, for any day, the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for the day of such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it. If for any reason the Administrative Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Federal Funds Effective Rate for any reason, including the inability or failure of the Administrative Agent to obtain sufficient quotations in accordance with the terms thereof, the Alternate Base Rate shall be the Prime Rate until the circumstances giving rise to such inability no longer exist. Any change in the Alternate Base Rate due to a change in the Prime Rate or the Federal Funds Effective Rate shall be effective on the effective date of such change in the Prime Rate or the Federal Funds Effective Rate, respectively.

"Applicable Facility Fee Rate" shall mean the "Applicable Facility Fee Rate" determined in accordance with the Pricing Grid set forth in Annex I hereto.

"Applicable Eurodollar Margin" shall mean the "Applicable Eurodollar Margin" determined in accordance with the Pricing Grid set forth in Annex I hereto.

"Applicable Utilization Fee Rate" shall mean the "Applicable Utilization Fee Rate" determined in accordance with the Pricing Grid set forth in Annex I hereto.

"Assignment and Acceptance" shall mean an assignment and acceptance entered into by a Lender and an assignee, and accepted by the Administrative Agent, in the form of Exhibit C.

"Blockbuster Event" means the sale or deconsolidation of Blockbuster Inc. from Viacom, which sale or deconsolidation shall be substantially non-recourse to Viacom and Viacom International.

"Board" shall mean the Board of Governors of the Federal Reserve System of the United States.

"Bonds" shall have the meaning assigned to such term in Section 8.2(g).

"Borrower" shall mean, as applicable, Viacom or the relevant Subsidiary Borrower.

"Business Day" shall mean any day (other than a day which is a Saturday, Sunday or legal holiday in the State of New York) on which banks are open for business in New York City; provided, however, that, when used in connection with a Eurodollar Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in Dollar deposits in the London interbank market.

"Capital Lease Obligations" of any Person shall mean the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property (other than satellite transponders), or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP and, for the purposes of this Agreement, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP.

"Capital Stock" shall mean any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation) and any and all warrants or options to purchase any of the foregoing.

"Chase" shall have the meaning assigned to such term in the preamble to this Agreement.

"Closing Certificate" shall mean a certificate, substantially in the form of Exhibit E.

"Closing Date" shall mean March 7, 2001.

"Code" shall mean the Internal Revenue Code of 1986, as the same may be amended from time to time.

"Co-Documentation Agents" shall have the meaning assigned to such term in the preamble hereto.

"Commitment" shall mean, with respect to each Lender, the commitment of such Lender to make Loans pursuant to Section 2.1, as set forth on Schedule 1.1, as such Lender's Commitment may be permanently terminated or reduced from time to time pursuant to Section 2.10 or changed pursuant to Section 9.4.

"Commitment Increase Date" shall have the meaning assigned to such term in Section 2.10(e).

"Commitment Increase Letter" shall have the meaning assigned to such term in Section 2.10(e) and shall be substantially in the form of Exhibit G.

"Commitment Utilization Percentage" shall mean on any day the percentage equivalent to a fraction (a) the numerator of which is the sum of the aggregate outstanding principal amount of Loans, and (b) the denominator of which is the Total Commitment (or, on any day after termination of the Commitments, the Total Commitment in effect immediately preceding such termination).

"Communications Act" shall mean the Communications Act of 1934, as amended.

"Compliance Certificate" shall have the meaning assigned to such term in Section 5.1.

"Confidential Information" shall have the meaning assigned to such term in Section 9.15(a).

"Confidentiality Agreement" shall mean a confidentiality agreement substantially in the form of Exhibit D, with such changes as Viacom may approve.

"Consolidated Coverage Ratio" shall mean, for any period, the ratio of (a) Consolidated EBITDA for such period to (b) Consolidated Interest Expense for such period.

"Consolidated EBITDA" shall mean, with respect to Viacom and its Consolidated Subsidiaries for any period, operating profit (loss) (excluding that related to Discontinued Operations), plus other income (loss), plus interest income, plus depreciation and amortization (excluding amortization related to programming rights, prepublication costs and videocassettes), excluding (a) gains (losses) on sales of assets (except (I) gains (losses) on sales of inventory sold in the ordinary course of business and (II) gains (losses) on sales of other assets if such gains (losses) are less than \$10,000,000 individually and less than \$50,000,000 in the aggregate during such period), (b) other non-cash items (including (i) provisions for losses and additions to valuation allowances, (ii) provisions for restructuring, litigation and environmental reserves and losses on the Disposition of businesses and (iii) pension settlement charges), and (c) nonrecurring expenses incurred during such period in connection with the merger of CBS and Viacom pursuant to the Agreement and Plan of Merger entered into by CBS, Viacom and Viacom/CBS LLC dated as of September 6, 1999, as amended, amended and restated, supplemented and otherwise modified from time to time, minus cash payments made during such period in respect of non-cash charges taken during any previous period (excluding cash payments in respect of non-cash charges taken prior to December 31, 1999).

"Consolidated Interest Expense" shall mean for any period the gross cash interest expense of Viacom and its Consolidated Subsidiaries on Indebtedness for such period plus cash dividends paid on preferred stock to persons other than Viacom and its Wholly Owned Subsidiaries for such period, but excluding the gross cash interest expense of the Discontinued Operations for such period.

"Consolidated Subsidiary" shall mean, as to any Person, each Subsidiary of such Person (whether now existing or hereafter created or acquired) the financial statements of which shall be consolidated with the financial statements of such Person in accordance with GAAP.

"Consolidated Tangible Assets" shall mean at any date the assets of Viacom and its Subsidiaries determined on such date on a consolidated basis, less goodwill and other intangible assets.

"Credit Event" shall mean the making of any Loan. It is understood that conversions and continuations pursuant to Section 2.5 do not constitute "Credit Events".

"Debt Rating" shall mean the rating applicable to Viacom's senior, unsecured, non-credit-enhanced long-term indebtedness for borrowed money, as assigned by either Rating Agency.

"Default" shall mean any event or condition which upon notice, lapse of time or both would constitute an Event of Default.

"Discontinued Operations" shall mean the operations classified as "discontinued operations" pursuant to Accounting Principles Board Opinion No. 30 as presented in the quarterly report of CBS on Form 10-Q for the quarter ended September 30, 1997 and filed with the SEC on December 14, 1997.

"Disposition" shall mean, with respect to any Property, any sale, lease, assignment, conveyance, transfer or other disposition thereof; and the terms "Dispose" and "Disposed of" shall have correlative meanings.

"Dollars" or "\$" shall mean lawful money of the United States of America.

"Environmental Laws" shall mean any and all Federal, state, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or other governmental restrictions relating to the environment or to emissions, discharges, releases or threatened releases of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes into the environment, including, without limitation, ambient air, surface water, ground water or land, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances or wastes.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Affiliate" shall mean, with respect to Viacom, any trade or business (whether or not incorporated) that is a member of a group of which Viacom is a member and which is treated as a single employer under Section 414 of the Code.

"Eurodollar Loan" shall mean any Loan bearing interest at a rate determined by reference to the Eurodollar Rate.

"Eurodollar Rate" shall mean, with respect to an Interest Period pertaining to any Eurodollar Loan, the rate of interest determined on the basis of the rate for deposits in Dollars for a period equal to such Interest Period commencing on the first day of such Interest Period appearing on Page 3750 of the Telerate Screen as of 11:00 A.M., London time, two Business Days prior to the beginning of such Interest Period. In the event that such rate does not appear on Page 3750 of the Telerate Screen (or otherwise on the Telerate Service), the "Eurodollar Rate" shall instead be the interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to the average of the rates at which Dollar deposits approximately equal in principal amount to, in the case of a Eurodollar Tranche, the portion of such Eurodollar Tranche of the Lender serving as Administrative Agent, and for a maturity comparable to such Interest Period, are offered by the principal London offices of the Reference Banks (or, if any Reference Bank does not at the time maintain a London office, the principal London office of any affiliate of such Reference Bank) for immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

"Eurodollar Tranche" shall mean the collective reference to Eurodollar Loans made by the Lenders, the then current Interest Periods with respect to all of which begin on the same date and end on the same later date (whether or not such Loans shall originally have been made on the same day).

"Event of Default" shall have the meaning assigned to such term in Article VI; provided that any requirement for the giving of notice, the lapse of time, or both, has been satisfied.

"Excess Utilization Day" shall mean each day on which the Commitment Utilization Percentage exceeds 50%.

"Exchange Act Report" shall have the meaning assigned to such term in Section 3.3.

"Existing Credit Agreements" shall mean the (a) \$6,400,000,000 Amended and Restated Credit Agreement, dated as of March 26, 1997 (as amended, restated, supplemented or otherwise modified), among Viacom, as the borrower, the banks named therein, The Bank of New York, Citibank, N.A., Morgan Guaranty Trust Company of New York, Bank of America NT&SA and The Chase Manhattan Bank, as managing agents, The Bank of New York, as documentation agent, Citibank, N.A., as the administrative agent, and JP Morgan Securities Inc. and Bank of America NT&SA, as the syndication agents; (b) \$1,500,000,000 Amended and Restated Credit Agreement, dated as of December 10, 1999 (as amended, restated, supplemented or otherwise modified), among Viacom (successor by merger with CBS Corporation), as the borrower, the lenders named therein, Bank of America, N.A. and The Toronto-Dominion Bank, as syndication agents, The Chase Manhattan Bank, as documentation agent and Morgan Guaranty Trust Company of New York, as administrative agent; (c) \$1,500,000,000 Amended and Restated Credit Agreement, dated as of December 10, 1999 (as amended, restated, supplemented or otherwise modified), among Infinity, as the borrower, each subsidiary borrower, Viacom (successor by merger with CBS Corporation), as a guarantor, the lenders named therein, Bank of America, N.A. and The Toronto-Dominion Bank, as syndication agents,

The Chase Manhattan Bank, as documentation agent and Morgan Guaranty Trust Company of New York, as administrative agent; and (d) \$500,000,000 364-Day Credit Agreement, dated as of May 3, 2000 (as amended, restated, supplemented or otherwise modified), among Infinity, as the borrower, each subsidiary borrower, the lenders named therein, Bank of New York, as documentation agent, The Chase Manhattan Bank, as administrative agent, and Bank of America, N.A. and Fleet National Bank, as co-syndication agents.

"Existing Infinity Credit Agreement" shall mean the Five-Year Credit Agreement, dated as of May 3, 2000 (as amended, restated, supplemented or otherwise modified from time to time), among Infinity, as borrower, the subsidiary borrowers party thereto, the lenders named therein, Bank of New York, as documentation agent, Chase, as administrative agent, and Bank of America, N.A. and Fleet National Bank, as co-syndication agents.

"Facility Fees" shall mean all fees payable pursuant to Section 2.6(a).

"Federal Funds Effective Rate" shall have the meaning assigned to such term in the definition of "Alternate Base Rate".

"Fees" shall mean the Facility Fees, the Administrative Agent's Fees and the Utilization Fees.

"Financial Covenant" shall mean the financial covenant contained in Section 5.7.

"Financial Officer" of any corporation shall mean its Chief Financial Officer, its Vice President and Treasurer or its Vice President and Chief Accounting Officer or, in each case, any comparable officer or any Person designated by any such officer.

"Five-Year Credit Agreement" shall mean the five-year credit agreement, dated the date hereof, among Viacom, Viacom International, each subsidiary borrower, the lenders party thereto, Chase, as administrative agent, Salomon Smith Barney Inc., as syndication agent, and Fleet National Bank and Bank of America, N.A., as co-documentation agents.

"GAAP" shall mean generally accepted accounting principles.

"Governmental Authority" shall mean any Federal, state, local or foreign court or governmental agency, authority, instrumentality or regulatory body.

"Granting Bank" shall have to meaning specified in Section 9.4(i).

"Guarantee" of or by any Person shall mean any obligation, contingent or otherwise, of such Person guaranteeing or entered into with the purpose of guaranteeing any Indebtedness of any other Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or to purchase (or to advance or supply funds for the purchase of) any security for the payment of such Indebtedness, (b) to purchase Property, securities or services for the purpose of assuring the owner of such Indebtedness of the payment of such Indebtedness or (c) to maintain working capital, equity capital or other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness; provided, however, that the term "Guarantee" shall not include endorsements for collection or deposit, in either case in the ordinary course of business.

"Indebtedness" of any Person shall mean at any date, without duplication, (i) all obligations of such Person for borrowed money (including, without limitation, in the case of any Borrower, the obligations of such Borrower for borrowed money under this Agreement), (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of Property or services, except as provided below, (iv) all obligations of such Person as lessee under Capital Lease Obligations, (v) all Indebtedness of others secured by a Lien on any Property of such Person, whether or not such Indebtedness is assumed by such Person, (vi) all Indebtedness of others directly or indirectly guaranteed or otherwise assumed by such Person, including any obligations of others endorsed (otherwise than for collection or deposit in the ordinary course of business) or discounted or sold with recourse by such Person, or in respect of which such Person is otherwise directly or indirectly liable, including, without limitation, any Indebtedness in effect guaranteed by such Person through any agreement (contingent or otherwise) to purchase, repurchase or otherwise acquire such obligation or any security therefor, or to provide funds for the payment or discharge of such obligation, or to maintain the solvency or any balance sheet or other financial condition of the obligor of such obligation, provided that Indebtedness of Viacom and its Subsidiaries shall not include (a) guarantees in existence on the date hereof of Indebtedness of Discontinued Operations and (b) guarantees of Indebtedness that are identified on Schedule 1.1(a) hereto, (vii) all obligations of such Person as issuer, customer or account party under letters of credit or bankers' acceptances that are either drawn or that back financial obligations that would otherwise be Indebtedness; provided, however, that in each of the foregoing clauses (i) through (vii), Indebtedness shall not include obligations (other than under this Agreement) specifically with respect to the production, distribution and acquisition of motion pictures or other programming rights, talent or publishing rights.

"Infinity" shall mean Infinity Broadcasting Corporation, a Delaware corporation.

"Interest Payment Date" shall mean (a) with respect to any Eurodollar Loan, the last day of the Interest Period applicable thereto and, in the case of a Eurodollar Loan with an Interest Period of more than three months' duration, each day that would have been an Interest Payment Date for such Loan had successive Interest Periods of three months' duration been applicable to such Loan and, in addition, the date of any conversion of any Eurodollar Loan to an ABR Loan, the date of repayment or prepayment of any Eurodollar Loan and the applicable Maturity Date; (b) with respect to any ABR Loan, the last day of each March, June, September and December and the applicable Maturity Date.

"Interest Period" shall mean as to any Eurodollar Loan, the period commencing on the borrowing date or conversion date of such Loan, or on the last day of the immediately preceding Interest Period applicable to such Loan, as the case may be, and ending on the numerically corresponding day (or, if there is no numerically corresponding day, on the last day) in the calendar month that is 7 days (subject to the prior consent of each Lender) or 1, 2, 3 or 6 months or (subject to the prior consent of each Lender) 9 or 12 months thereafter, as the relevant Borrower may elect; provided, however, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of Eurodollar Loans only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) notwithstanding anything to the contrary herein, no Borrower may select an Interest Period which would end after the Maturity Date applicable to the relevant Loan. Interest shall accrue from and including that first day of an Interest Period to but excluding the last day of such Interest Period.

"Joint Lead Arrangers" shall mean JP Morgan, a division of Chase Securities Inc., a New York corporation, and Salomon Smith Barney Inc., a New York corporation.

"Lenders" shall have the meaning assigned to such term in the preamble to this Agreement.

"Lender Affiliate" shall mean, (a) with respect to any Lender, (i) an affiliate of such Lender or (ii) any entity (whether a corporation, partnership, trust or otherwise) that is engaged in making, purchasing, holding or otherwise investing in bank loans and similar extensions of credit in the ordinary course of its business and is administered or managed by a Lender or an affiliate of such Lender and (b) with respect to any Lender that is a fund which invests in bank loans and similar extensions of credit, any other fund that invests in bank loans and similar extensions of credit and is managed by the same investment advisor as such Lender or by an affiliate of such investment advisor.

"Lien" shall mean any mortgage, deed of trust, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), security interest or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever, including, without limitation, any conditional sale or other title retention agreement.

"Loan" shall mean the revolving loans made by the Lenders to any Borrower pursuant to Section 2.3. Each Loan shall be a Eurodollar Loan or an ABR Loan.

"Loan Documents" shall mean this Agreement and the Administrative Agent Fee Letter.

"Margin Stock" shall have the meaning assigned to such term under Regulation U.

"Material Acquisition" shall mean any acquisition of Property or series of related acquisitions of Property (including by way of merger) which (a) constitutes assets comprising all or substantially all of an operating unit of a business or constitutes all or substantially all of the common stock of a Person and (b) involves the payment of consideration by Viacom and its Subsidiaries (valued at the initial principal amount thereof in the case of non-cash consideration consisting of notes or other debt securities and valued at fair market value in the case of other non-cash consideration) in excess of \$100,000,000.

"Material Adverse Effect" shall mean (a) a material adverse effect on the Property, business, results of operations or financial condition of Viacom and its Subsidiaries taken as a whole or (b) material impairment of the ability of Viacom to perform any of its obligations under this Agreement.

"Material Disposition" shall mean any Disposition of Property or series of related Dispositions of Property which yields gross proceeds to Viacom or any of its Subsidiaries (valued at the initial principal amount thereof in the case of non-cash proceeds consisting of notes or other debt securities and valued at fair market value in the case of other non-cash proceeds) in excess of \$100,000,000.

"Material Subsidiary" shall mean any "significant subsidiary" of Viacom as defined in Regulation S-X of the SEC; provided, that each Subsidiary Borrower shall in any event constitute a Material Subsidiary.

"Moody's" shall mean Moody's Investors Service, Inc.

"Multiemployer Plan" shall mean a multiemployer plan as defined in Section 3(37) of ERISA to which contributions have been made by Viacom or any ERISA Affiliate of Viacom and which is covered by Title IV of ERISA.

"New Lender" shall have the meaning assigned to such term in Section 2.10(d).

"New Lender Supplement" shall mean the agreement made pursuant to Section 2.10(d) substantially in the form of Exhibit F.

"Non-U.S. Person" shall have the meaning assigned to such term in Section 2.17(f).

"Other Taxes" shall mean any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

"Outstanding Extensions of Credit" shall mean, as to any Lender at any time, an amount equal to the sum of the aggregate principal amount of all Loans made by such Lender then outstanding.

"PBGC" shall mean the Pension Benefit Guaranty Corporation referred to and defined in ERISA, or any successor thereto.

"Person" shall mean any natural person, corporation, business trust, joint venture, association, company, partnership, limited liability company or other entity, or any government or any agency or political subdivision thereof.

"Plan" shall mean any employee pension benefit plan as defined in Section 3(2) of ERISA (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code and which is maintained for employees of Viacom or any ERISA Affiliate.

"Prime Rate" shall have the meaning assigned to such term in the definition of "Alternate Base Rate".

"Pro Forma Period" shall have the meaning assigned to such term in Section 1.2(c).

"Property" shall mean any right or interest in or to property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible, including, without limitation, Capital Stock.

"Rating Agencies" shall mean S&P and Moody's.

"Reference Banks" shall mean Chase, Citibank N.A. and Bank of America, N.A.

"Register" shall have the meaning assigned to such term in Section 9.4(d).

"Regulation D" shall mean Regulation D of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Regulation U" shall mean Regulation U of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

"Required Lenders" shall mean, at any time, Lenders whose respective Total Facility Percentages aggregate more than 50%.

"Responsible Officer" of any corporation shall mean any executive officer or Financial Officer of such corporation and any other officer or similar official thereof responsible for the administration of the obligations of such corporation in respect of this Agreement (or, in the case of matters relating to ERISA, any officer responsible for the administration of the pension funds of such corporation).

"Revolving Credit Borrowing Request" shall mean a request made pursuant to Section 2.3 in the form of Exhibit B-1.

"Revolving Credit Maturity Date" shall mean March 6, 2002.

"Revolving Credit Percentage" of any Lender at any time shall mean the percentage of the aggregate Commitments (or, following any termination of all the Commitments, the Commitments most recently in effect) represented by such Lender's Commitment (or, following any such termination, the Commitment of such Lender most recently in effect).

"S&P" shall mean Standard & Poor's Ratings Services.

"SEC" shall mean the Securities and Exchange Commission.

"Sole Bookrunner" shall mean JP Morgan, a division of Chase Securities Inc., a New York corporation.

"SPC" shall have the meaning specified in Section 9.4(i).

"Subsidiary" shall mean, for any Person (the "Parent"), any corporation, partnership or other entity of which shares of Voting Capital Stock sufficient to elect a majority of the board of directors or other Persons performing similar functions of such corporation, partnership or other entity (irrespective of whether or not at the time securities or other ownership interests of any other class or classes of such corporation, partnership or other entity shall have or might have voting power by reason of the happening of any contingency) are at the time directly or indirectly owned or controlled by the Parent or one or more of its Subsidiaries or by the Parent and one or more of its Subsidiaries. Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of Viacom.

"Subsidiary Borrower" shall mean any Subsidiary of Viacom (a) which is designated as a Subsidiary Borrower by Viacom pursuant to a Subsidiary Borrower Designation, (b) which has delivered to the Administrative Agent a Subsidiary Borrower Request and (c) whose designation as a Subsidiary Borrower has not been terminated pursuant to Section 4.2.

No Subsidiary of Viacom incorporated in Canada or any province or territory thereof may be a Subsidiary Borrower hereunder.

"Subsidiary Borrower Designation" shall mean a designation, substantially in the form of Exhibit B-2, which may be delivered by Viacom and approved by Viacom and shall be accompanied by a Subsidiary Borrower Request.

"Subsidiary Borrower Obligations" shall mean, with respect to each Subsidiary Borrower, the unpaid principal of and interest on the Loans made to such Subsidiary Borrower (including, without limitation, interest accruing after the maturity of the Loans made to such Subsidiary Borrower and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to such Subsidiary Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) and all other obligations and liabilities of such Subsidiary Borrower to the Administrative Agent or to any Lender, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement. "Subsidiary Borrower Request" shall mean a request, substantially in the form of Exhibit B-3, which is received by the Administrative Agent in connection with a Subsidiary Borrower Designation.

"Syndication Agent" shall have the meaning assigned to such term in the preamble hereto.

"Test Period" shall have the meaning assigned to such term in Section 1.2(c).

"Total Commitment" shall mean at any time the aggregate amount of the Commitments in effect at such time.

"Total Facility Exposure" shall mean at any time the aggregate amount of the Outstanding Extensions of Credit at such time.

"Total Facility Percentage" shall mean, as to any Lender at any time, the quotient (expressed as a percentage) of (a) such Lender's Commitment (or (x) for the purposes of acceleration of the Loans pursuant to clause (II) of Article VI or (y) if the Commitments have terminated, such Lender's Outstanding Extensions of Credit) and (b) the aggregate of all Lenders' Commitments (or (x) for the purposes of acceleration of the Loans pursuant to clause (II) of Article VI or (y) if the Commitments have terminated, the Total Facility Exposure)).

"Transferee" shall mean any assignee or participant described in Section 9.4(b) or (f).

"Type" when used in respect of any Loan, shall refer to the Rate by reference to which interest on such Loan is determined. For purposes hereof, "Rate" shall mean the Eurodollar Rate or the Alternate Base Rate.

"U.S. Person" shall mean a citizen, national or resident of the United States of America, or an entity organized in or under the laws of the United States of America.

"Utilization Fee" shall have the meaning assigned to such term in Section 2.6(c).

"Viacom" shall have the meaning assigned to such term in the preamble to this Agreement.

"Viacom International" shall have the meaning assigned to such term in the preamble to this Agreement.

"Viacom Obligations" shall mean, with respect to Viacom, the unpaid principal of and interest on the Loans made to Viacom (including, without limitation, interest accruing after the maturity of the Loans made to Viacom and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to Viacom, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) and all other obligations, including its Guarantee obligations hereunder, and liabilities of Viacom to the Administrative Agent or to any Lender, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement.

"Voting Capital Stock" shall mean securities or other ownership interests of a corporation, partnership or other entity having by the terms thereof ordinary voting power to vote in the election of the board of directors or other Persons performing similar functions of such corporation, partnership or other entity (without regard to the occurrence of any contingency).

"Wholly Owned Subsidiary" shall mean any Subsidiary of which all shares of Voting Capital Stock (other than, in the case of a corporation, directors' qualifying shares) are owned directly or indirectly by the Parent (as defined in the definition of "Subsidiary").

SECTION 1.2. Terms Generally.

(a) The definitions in Section 1.1 shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" shall, except where the context otherwise requires, be deemed to be followed by the phrase "without limitation". All references herein to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require.

(b) Except as otherwise expressly provided herein, all terms of an accounting nature shall be construed in accordance with GAAP in effect from time to time. The parties hereto agree, however, that in the event that any change in accounting principles from those used in the preparation of the financial statements referred to in Section 3.2 is hereafter occasioned by the promulgation of rules, regulations, pronouncements, opinions and statements by or required by the Financial Accounting Standards Board or Accounting Principles Board or the American Institute of Certified Public Accountants (or successors thereto or agencies with similar functions) and such change materially affects the calculation of any component of the Financial Covenant or any standard or term contained in this Agreement, the Administrative Agent and Viacom shall negotiate in good faith to amend such Financial Covenant, standards or terms found in this Agreement (other than in respect of financial statements to be delivered hereunder) so that, upon adoption of such changes, the criteria for evaluation of Viacom's and its Subsidiaries' financial condition shall be the same after such change as if such change had not been made; provided, however, that (i) any such amendments shall not become effective for purposes of this Agreement unless approved by the Required Lenders and (ii) if Viacom and the

Required Lenders cannot agree on such an amendment, then the calculations under such Financial Covenant, standards or terms shall continue to be computed without giving effect to such change in accounting principles; provided further, however, that the parties hereto agree that Viacom and its Subsidiaries shall adopt Statement of Position 00-2, "Accounting by Producers or Distributors of Films" effective as from January 1, 2000.

(c) For the purposes of calculating Consolidated EBITDA and Consolidated Interest Expense for any period (a "Test Period"), (i) if at any time from the period (a "Pro Forma Period") commencing on the second day of such Test Period and ending on the date which is ten days prior to the date of delivery of the Compliance Certificate in respect of such Test Period (or, in the case of any pro forma calculation made pursuant hereto in respect of a particular transaction, ending on the date such transaction is consummated after giving effect thereto), Viacom or any Subsidiary shall have made any Material Disposition, the Consolidated EBITDA for such Test Period shall be reduced by an amount equal to the Consolidated EBITDA (if positive) attributable to the Property which is the subject of such Material Disposition for such Test Period or increased by an amount equal to the Consolidated EBITDA (if negative) attributable thereto for such Test Period, and Consolidated Interest Expense for such Test Period shall be reduced by an amount equal to the Consolidated Interest Expense for such Test Period attributable to any Indebtedness of Viacom or any Subsidiary repaid, repurchased, defeased or otherwise discharged with respect to Viacom and its Subsidiaries in connection with such Material Disposition (or, if the Capital Stock of any Subsidiary is sold, the Consolidated Interest Expense for such Test Period directly attributable to the Indebtedness of such Subsidiary to the extent Viacom and its continuing Subsidiaries are no longer liable for such Indebtedness after such Disposition); (ii) if during such Pro Forma Period Viacom or any Subsidiary shall have made a Material Acquisition, Consolidated EBITDA and Consolidated Interest Expense for such Test Period shall be calculated after giving pro forma effect thereto (including the incurrence or assumption of any Indebtedness in connection therewith) as if such Material Acquisition (and the incurrence or assumption of any such Indebtedness) occurred on the first day of such Test Period; and (iii) if during such Pro Forma Period any Person that subsequently became a Subsidiary or was merged with or into Viacom or any Subsidiary since the beginning of such Pro Forma Period shall have entered into any disposition or acquisition transaction that would have required an adjustment pursuant to clause (i) or (ii) above if made by Viacom or a Subsidiary during such Pro Forma Period, Consolidated EBITDA and Consolidated Interest Expense for such Test Period shall be calculated after giving pro forma effect thereto as if such transaction occurred on the first day of such Test Period. For the purposes of this paragraph, whenever pro forma effect is to be given to a Material Disposition or Material Acquisition, the amount of income or earnings relating thereto and the amount of Consolidated Interest Expense associated with any Indebtedness discharged or incurred in connection therewith, the pro forma calculations shall be determined in good faith by a Financial Officer of Viacom. If any Indebtedness bears a floating rate of interest and the incurrence or assumption thereof is being given pro forma effect, the interest expense on such Indebtedness shall be calculated as if the rate in effect on the last day of the relevant Pro Forma Period had been the applicable rate for the entire relevant Test Period (taking into account any interest rate protection agreement applicable to such Indebtedness if such interest rate protection agreement has a remaining term in excess of 12 months). Comparable adjustments shall be made in connection with any determination of Consolidated EBITDA.

(d) For purposes of the Financial Covenant, (i) the Discontinued Operations shall be disregarded and (ii) the businesses classified as Discontinued Operations shall be limited to

those businesses treated as such in the financial statements of Viacom referred to in the definition of "Discontinued Operations" and the accounting treatment of Discontinued Operations shall be consistent with the accounting treatment thereof in such financial statements.

ARTICLE II

THE CREDITS

SECTION 2.1. Commitments.

Subject to the terms and conditions hereof and relying upon the representations and warranties herein set forth, each Lender agrees, severally and not jointly, to make Loans to Viacom or any Subsidiary Borrower, at any time and from time to time on and after the Closing Date and until the earlier of (a) the Business Day immediately preceding the Revolving Credit Maturity Date and (b) the termination of the Commitment of such Lender, in an aggregate principal amount at any time outstanding not to exceed such Lender's Commitment. Each Borrower may borrow, prepay and reborrow Loans on and after the Closing Date and prior to the Revolving Credit Maturity Date, subject to the terms, conditions and limitations set forth herein.

SECTION 2.2. Loans.

(a) Each Loan shall be made to the relevant Borrower by the Lenders ratably in accordance with their respective Commitments. The Loans shall be made in minimum amounts equal to (i) in the case of Eurodollar Loans, \$50,000,000 or an integral multiple of \$5,000,000 in excess thereof, and (ii) in the case of ABR Loans, \$25,000,000 or an integral multiple of \$5,000,000 in excess thereof (or an aggregate principal amount equal to the remaining balance of the available Total Commitment).

(b) Each Lender shall make each Loan to be made by it on the proposed date thereof by wire transfer of immediately available funds to the Administrative Agent in New York, New York, not later than 12:00 noon, New York City time (or, in connection with an ABR Loan to be made on the same day on which a notice is submitted, 12:30 p.m., New York City time) and the Administrative Agent shall by 3:00 p.m., New York City time, credit the amounts so received to the general deposit account of the relevant Borrower with the Administrative Agent.

SECTION 2.3. Revolving Credit Borrowing Procedure.

In order to request a Loan, the relevant Borrower shall hand deliver or telecopy to the Administrative Agent a Revolving Credit Borrowing Request in the form of Exhibit B-1 (a) in the case of a Eurodollar Loan, not later than 11:00 a.m., New York City time, three Business Days before a proposed borrowing and (b) in the case of an ABR Loan, not later than 11:00 a.m., New York City time, on the day of a proposed borrowing. Such notice shall be irrevocable and shall in each case specify (i) whether the Loan then being requested is to be a Eurodollar Loan or an ABR Loan, (ii) the date of such Loan (which shall be a Business Day) and the amount thereof; and (iii) in the case of a Eurodollar Loan, the Interest Period with respect thereto. The Administrative Agent shall promptly advise the Lenders of any notice given pursuant to this Section 2.3 and of each Lender's portion of the requested Loan.

SECTION 2.4. Repayment of Loans.

Each Borrower shall repay all outstanding Loans on the first anniversary of the Revolving Credit Maturity Date (or such earlier date on which the Loans shall be due and payable in accordance herewith). Each Loan shall bear interest from and including the date thereof on the outstanding principal balance thereof as set forth in Section 2.07.

SECTION 2.5. Conversion and Continuation Options.

(a) The relevant Borrower may elect from time to time to convert Eurodollar Loans (or, subject to Section 2.07(d), a portion thereof) to ABR Loans on the last day of an Interest Period with respect thereto by giving the Administrative Agent prior irrevocable notice of such election. The relevant Borrower may elect from time to time to convert ABR Loans (subject to Section 2.07(d)) to Eurodollar Loans by giving the Administrative Agent at least three Business Days' prior irrevocable notice of such election. Any such notice of conversion to Eurodollar Loans shall specify the length of the initial Interest Period therefor. Upon receipt of any such notice the Administrative Agent shall promptly notify each Lender thereof. All or any part of outstanding Eurodollar Loans and ABR Loans may be converted as provided herein; provided, that no Loan may be converted into a Eurodollar Loan when any Event of Default has occurred and is continuing and the Administrative Agent has or the Required Lenders have determined in its or their sole discretion not to permit such a conversion.

(b) Any Eurodollar Loans (or, subject to Section 2.07(d), a portion thereof) may be continued as such upon the expiration of the then current Interest Period with respect thereto by the relevant Borrower giving irrevocable notice to the Administrative Agent, not less than three Business Days prior to the last day of the then current Interest Period with respect thereto, of the length of the next Interest Period to be applicable to such Loans; provided, that no Eurodollar Loan may be continued as such when any Event of Default has occurred and is continuing and the Administrative Agent has or the Required Lenders have determined in its or their sole discretion not to permit such a continuation; and provided, further, that if the relevant Borrower shall fail to give any required notice as described above in this paragraph or if such continuation is not permitted pursuant to the preceding proviso such Eurodollar Loans shall be automatically converted to ABR Loans on the last day of such then expiring Interest Period. Upon receipt of any notice from a Borrower pursuant to this Section 2.5(b), the Administrative Agent shall promptly notify each Lender thereof. The Administrative Agent shall promptly notify the applicable Borrower upon the determination in accordance with this Section 2.5(b), by it or the Required Facility Lenders, not to permit such a continuation.

SECTION 2.6. Fees.

(a) Viacom agrees to pay to the Administrative Agent for the account of each Lender a Facility Fee for the period from and including the Closing Date to the Revolving Credit Maturity Date (or such earlier date on which the Commitments shall terminate in accordance herewith), computed at a per annum rate equal to the Applicable Facility Fee Rate on such Lender's Commitment (whether used or unused); provided that, if such Lender continues to have any Facility Exposure after its Commitment terminates, then such Facility Fee shall continue to accrue on the daily amount of such Lender's Facility Exposure from and including the date on which its Commitment terminates to but excluding the date on which such Lender ceases to have any Facility Exposure. All Facility Fees shall be computed on the basis of the actual number of days elapsed in a year of 360 days and shall be payable quarterly in arrears on the last day of

each March, June, September and December, on the Revolving Credit Maturity Date or such earlier date on which the Commitments shall be terminated, commencing on the first of such dates to occur after the Closing Date.

(b) Viacom agrees to pay to the Administrative Agent, for its own account, the administrative agent's fees ("Administrative Agent's Fees") provided for in the Administrative Agent Fee Letter at the times provided therein.

(c) Viacom agrees to pay to each Lender, through the Administrative Agent, on each Interest Payment Date for ABR Loans, a utilization fee (a "Utilization Fee") at a rate per annum equal to the Applicable Utilization Fee Rate for each Excess Utilization Day during the period covered by such Interest Payment Date on the Outstanding Extensions of Credit of such Lender on such Excess Utilization Day. All Utilization Fees shall be computed on the basis of the actual number of days elapsed in a year of 360 days and shall be payable in arrears.

(d) All Fees shall be paid on the dates due, in immediately available funds, to the Administrative Agent for distribution, if and as appropriate, among the relevant Lenders. Once paid, none of the Fees shall be refundable under any circumstances (other than corrections of errors in payment).

SECTION 2.7. Interest on Loans; Eurodollar Tranches; Etc.

(a) Subject to the provisions of Section 2.08, Eurodollar Loans shall bear interest (computed on the basis of the actual number of days elapsed over a year of 360 days) at a rate per annum equal to in the case of each Eurodollar Loan, the Eurodollar Rate for the Interest Period in effect for such Loan plus the Applicable Eurodollar Margin. The Eurodollar Rate for each Interest Period shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error. The Administrative Agent shall promptly advise the relevant Borrower and each Lender of such determination.

(b) Subject to the provisions of Section 2.08, ABR Loans shall bear interest (computed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as the case may be, when determined by reference to the Prime Rate and over a year of 360 days at all other times) at a rate per annum equal to the Alternate Base Rate. The Alternate Base Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

(c) Interest on each Loan shall be payable on each applicable Interest Payment Date.

(d) Notwithstanding anything to the contrary in this Agreement, all borrowings, conversions, continuations, repayments and prepayments of Eurodollar Loans hereunder and all selections of Interest Periods hereunder in respect of Eurodollar Loans shall be in such amounts and shall be made pursuant to such elections so that, after giving effect thereto, the aggregate principal amount of the Eurodollar Loans comprising each Eurodollar Tranche shall be equal to \$50,000,000 or a whole multiple of \$5,000,000 in excess thereof. Unless otherwise agreed by the Administrative Agent, in no event shall there be more than 25 Eurodollar Tranches outstanding at any time.

(e) If no election as to the Type of Loan is specified in any notice of borrowing with respect thereto, then the requested Loan shall be an ABR Loan. If no Interest Period with respect to a Eurodollar Loan is specified in any notice of borrowing, conversion or continuation, then the relevant Borrower shall be deemed to have selected an Interest Period of one month's duration.

SECTION 2.8. Default Interest.

If all or a portion of the principal amount of any Loan shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), all outstanding Loans (whether or not overdue) shall bear interest at a rate per annum which is equal to the rate that would otherwise be applicable thereto pursuant to the provisions of Section 2.07 plus 2% and (b) if all or a portion of any interest payable on any Loan or any Fee or other amount payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration or otherwise), such overdue amount shall bear interest at a rate per annum equal to the rate otherwise applicable to ABR Loans pursuant to Section 2.07(b) plus 2%, in each case, with respect to clauses (a) and (b) above, from the date of such non-payment until such amount is paid in full (as well after as before judgment).

SECTION 2.9. Alternate Rate of Interest.

In the event, and on each occasion, that on the day two Business Days prior to the commencement of any Interest Period for a Eurodollar Loan (i) the Administrative Agent shall have determined (which determination shall be conclusive and binding upon each Borrower) that, by reason of circumstances affecting the relevant market, adequate and reasonable means do not exist for ascertaining the Eurodollar Rate for such Interest Period, or (ii) the Required Lenders shall have determined and shall have notified the Administrative Agent that the Eurodollar Rate determined or to be determined for such Interest Period will not adequately and fairly reflect the cost to such Lenders (as conclusively certified by such Lenders) of making or maintaining Eurodollar Loans during such Interest Period, the Administrative Agent shall, as soon as practicable thereafter, give written or telecopy notice of such determination to the Borrowers and the Lenders. In the event of any such determination, until the Administrative Agent shall have advised the Borrowers and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any request by a Borrower for a Eurodollar Loan pursuant to Section 2.3 to be made after such determination shall be deemed to be a request for an ABR Loan and (ii) any request by a Borrower for conversion into or a continuation of a Eurodollar Loan pursuant to Section 2.5 to be made after such determination shall have no force and effect (in the case of a requested conversion) or shall be deemed to be a request for a conversion into an ABR Loan (in the case of a requested continuation). Each determination by the Administrative Agent or the Required Lenders hereunder shall be conclusive absent manifest error.

SECTION 2.10. Termination, Reduction and Increase of Commitments.

(a) Upon at least three Business Days' prior irrevocable written or telecopy notice to the Administrative Agent, Viacom may at any time in whole permanently terminate, or from time to time in part permanently reduce, the Commitments; provided, however, that (i) each partial reduction of the Commitments shall be in a minimum principal amount of \$10,000,000 and in integral multiples of \$1,000,000 in excess thereof and (ii) no such termination or reduction shall be made if, after giving effect thereto and to any prepayments of the Loans made

on the effective date thereof, (x) the Outstanding Extensions of Credit of any Lender would exceed such Lender's Commitment then in effect or (y) the Total Facility Exposure would exceed the Total Commitment then in effect. The Administrative Agent shall promptly advise the Lenders of any notice given pursuant to this Section 2.10(a).

(b) Except as otherwise provided in Section 2.18, each reduction in the Commitments hereunder shall be made ratably among the Lenders in accordance with their respective Commitments. Viacom agrees to pay to the Administrative Agent for the account of the Lenders, on the date of termination or reduction of the Commitments, the Facility Fees on the amount of the Commitments so terminated or reduced accrued through the date of such termination or reduction.

(c) Viacom shall have the right at any time and from time to time to increase the Total Commitments to an aggregate amount, when added to the aggregate amount of Total Commitments (as defined under the Five-Year Credit Agreement) under the Five-Year Credit Agreement, not to exceed \$4,500,000,000 (i) by requesting that one or more banks or other financial institutions not a party to this Agreement become a Lender hereunder or (ii) by requesting that any Lender already party to this Agreement increase the amount of such Lender's Commitment; provided, that the addition of any bank or financial institution pursuant to clause (i) above shall be subject to the consent of the Administrative Agent (which consent shall not be unreasonably withheld); provided further, the Commitment of any bank or other financial institution pursuant to clause (i) above, shall be in an aggregate principal amount at least equal to \$10,000,000; provided further, the amount of the increase of any Lender's Commitment pursuant to clause (ii) above when added to the amount of such Lender's Commitment before the increase, shall be in an aggregate principal amount at least equal to \$10,000,000.

(d) Any additional bank, financial institution or other entity which elects to become a party to this Agreement and obtain a Commitment pursuant to clause (c) of this Section 2.10 above shall execute a New Lender Supplement (each, a "New Lender Supplement") with Viacom and the Administrative Agent, substantially in the form of Exhibit G, whereupon such bank, financial institution or other entity (herein called a "New Lender") shall become a Lender for all purposes and to the same extent as if originally a party hereto and shall be bound by and entitled to the benefits of this Agreement, and Schedule 1.1 shall be deemed to be amended to add the name and Commitment of such New Lender.

(e) Any increase in the Total Commitment pursuant to clause (c) of this Section 2.10 shall be effective only upon the execution and delivery to Viacom and the Administrative Agent of a commitment increase letter in substantially the form of Exhibit G hereto (a "Commitment Increase Letter"), which Commitment Increase Letter shall be delivered to the Administrative Agent not less than five Business Days prior to the Commitment Increase Date and shall specify (i) the amount of the Commitment of any bank or financial institution not a party to this agreement which is becoming a Lender or the amount of any increase in the Commitment of any Lender and (ii) the date such increase is to become effective (the "Commitment Increase Date").

(f) Any increase in the Total Commitment pursuant to this Section 2.10 shall not be effective unless:

(i) no Default or Event of Default shall have occurred and be continuing on the Commitment Increase Date;

(ii) each of the representations and warranties made by Viacom and the Subsidiary Borrowers in Sections 3.1, 3.2, 3.4, 3.5 and 3.6 shall be true and correct in all material respects on the Commitment Increase Date with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date in which case such representations and warranties shall be true and correct in all material respects as of such earlier date;

(iii) the Administrative Agent shall have received each of (A) a certificate of the corporate secretary or assistant secretary of the Borrowers as to the taking of any corporate action necessary in connection with such increase and (B) an opinion or opinions of general counsel to the Borrowers as to their corporate power and authority to borrow hereunder after giving effect to such increase and such other matters relating thereto as the Administrative Agent and its counsel may reasonably request.

(g) Each notice requesting an increase in the Total Commitments pursuant to this Section 2.10 shall constitute a certification to the effect set forth in clauses (i) and (ii) of this Section 2.10(f).

(h) No Lender shall at any time be required to agree to a request of Viacom to increase its Commitment or obligations hereunder.

SECTION 2.11. Optional Prepayments of Loans.

The relevant Borrower may at any time and from time to time prepay the Loans, in whole or in part, without premium or penalty, upon giving irrevocable written or telecopy notice (or telephone notice promptly confirmed by written or telecopy notice) to the Administrative Agent: (i) before 10:00 a.m., New York City time, three Business Days prior to prepayment, in the case of Eurodollar Loans, and (ii) before 10:00 a.m., New York City time, one Business Day prior to prepayment, in the case of ABR Loans. Such notice shall specify the date and amount of prepayment and whether the prepayment is of Eurodollar Loans, ABR Loans or a combination thereof, and, if of a combination thereof, the amount allocable to each. If a Eurodollar Loan is prepaid on any day other than the last day of the Interest Period applicable thereto, the relevant Borrower shall also pay any amounts owing pursuant to Section 2.13. Upon receipt of any such notice the Administrative Agent shall promptly notify each Lender thereof. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein, together with (except in the case of ABR Loans) accrued interest to such date on the amount prepaid. Partial prepayments of Loans shall be in an aggregate principal amount of \$10,000,000 or a whole multiple of \$1,000,000 in excess thereof.

SECTION 2.12. Reserve Requirements; Change in Circumstances.

(a) Notwithstanding any other provision herein, if after the Closing Date any change in applicable law or regulation (including any change in the reserve percentages provided for in Regulation D) or in the interpretation or administration thereof by any Governmental Authority charged with the interpretation or administration thereof shall change the basis of taxation of payments to any Lender of the principal of or interest on any Eurodollar Loan made by such Lender (other than changes in respect of taxes imposed on the overall net income of such Lender by the jurisdiction in which such Lender has its principal office (or in which it holds any Eurodollar Loan) or by any political subdivision or taxing authority therein and other than taxes that would not have been imposed but for the failure of such Lender to comply with applicable

certification, information, documentation or other reporting requirements), or shall impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of or deposits with or for the account of such Lender, or shall impose on such Lender or the London interbank market any other condition affecting this Agreement or any Eurodollar Loan made by such Lender, and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Eurodollar Loan or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or otherwise) in respect of any Eurodollar Loan by an amount deemed by such Lender to be material, then the relevant Borrower agrees to pay to such Lender as provided in paragraph (c) below such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) If any Lender shall have determined that the adoption after the Closing Date hereof of any law, rule, regulation or guideline regarding capital adequacy, or any change in any law, rule, regulation or guideline regarding capital adequacy or in the interpretation or administration of any of the foregoing by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Lender (or any lending office of such Lender) or any Lender's holding company with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement or the Loans made by such Lender pursuant hereto to a level below that which such Lender or such Lender's holding company could have achieved but for such applicability, adoption, change or compliance (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy) by an amount deemed by such Lender to be material, then from time to time Viacom agrees to pay to such Lender as provided in paragraph (c) below such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) A certificate of each Lender setting forth such amount or amounts as shall be necessary to compensate such Lender as specified in paragraph (a) or (b) above, as the case may be, and the basis therefor in reasonable detail shall be delivered to the relevant Borrower and shall be conclusive absent manifest error. The relevant Borrower shall pay each Lender the amount shown as due on any such certificate within 30 days after its receipt of the same.

(d) Except as provided in this paragraph, failure on the part of any Lender to demand compensation for any increased costs or reduction in amounts received or receivable or reduction in return on capital with respect to any period shall not constitute a waiver of such Lender's right to demand compensation with respect to any other period. The protection of this Section 2.12 shall be available to each Lender regardless of any possible contention of the invalidity or inapplicability of the law, rule, regulation, guideline or other change or condition which shall have occurred or been imposed so long as it shall be customary for Lenders affected thereby to comply therewith. No Lender shall be entitled to compensation under this Section 2.12 for any costs incurred or reductions suffered with respect to any date unless it shall have notified the relevant Borrower that it will demand compensation for such costs or reductions under paragraph (c) above not more than 90 days after the later of (i) such date and (ii) the date on which it shall have become aware of such costs or reductions. Notwithstanding any other provision of this Section 2.12, no Lender shall demand compensation for any increased cost or reduction referred to above if it shall not at the time be the general policy or practice of such Lender to demand such compensation in similar circumstances under comparable provisions of

other credit agreements, if any. In the event any Borrower shall reimburse any Lender pursuant to this Section 2.12 for any cost and such Lender shall subsequently receive a refund in respect thereof, such Lender shall so notify such Borrower and, upon its request, will pay to such Borrower the portion of such refund which such Lender shall determine in good faith to be allocable to the cost so reimbursed. The covenants contained in this Section 2.12 shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

SECTION 2.13. Indemnity.

Each Borrower agrees to indemnify each Lender against any loss or expense described below which such Lender may sustain or incur as a consequence of (a) any failure by such Borrower to fulfill on the date of any borrowing hereunder the applicable conditions set forth in Article IV, (b) any failure by such Borrower to borrow, continue or convert any Loan hereunder after irrevocable notice of such borrowing, continuation or conversion has been given or deemed given pursuant to Article II, (c) any payment, prepayment or conversion of a Eurodollar Loan made to such Borrower required by any other provision of this Agreement or otherwise made or deemed made, whatever the circumstances may be that give rise to such payment, prepayment or conversion, or any transfer of any such Loan pursuant to Section 2.18 or 9.4(b), on a date other than the last day of the Interest Period applicable thereto, or (d) if any breakage is incurred, any failure by a Borrower to prepay a Eurodollar Loan on the date specified in a notice of prepayment; provided, that any request for indemnification made by any Lender to any Borrower pursuant hereto shall be accompanied by such Lender's calculation of such amount to be indemnified. The loss or expense for which such Lender shall be indemnified under this Section 2.13 shall be equal to the excess, if any, as reasonably determined by such Lender, of (i) its cost of obtaining the funds for the Loan being paid, prepaid, converted or not borrowed, continued, prepaid or converted (assumed to be the Eurodollar Rate in the case of Eurodollar Loans) for the period from the date of such payment, prepayment, conversion or failure to borrow, continue, prepay or convert to the last day of the Interest Period for such Loan (or, in the case of a failure to borrow, continue, prepay or convert, the Interest Period for such Loan which would have commenced on the date of such failure) over (ii) the amount of interest (as reasonably determined by such Lender) that would be realized by such Lender in reemploying the funds so paid, prepaid, converted or not borrowed, continued, prepaid or converted for such period or Interest Period, as the case may be; provided, however, that such amount shall not include any loss of a Lender's margin or spread over its cost of obtaining funds as described above. A certificate of any Lender setting forth any amount or amounts which such Lender is entitled to receive pursuant to this Section 2.13 (with calculations in reasonable detail) shall be delivered to the relevant Borrower and shall be conclusive absent manifest error. This covenant shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

SECTION 2.14. Pro Rata Treatment; Funding Matters; Evidence of Debt.

(a) Except as required under Section 2.18, each payment or prepayment of principal of any Loan, each payment of interest on the Loans, each payment of the Facility Fees pursuant to Section 2.6(a), and each reduction of the Commitments, shall be allocated pro rata among the Lenders in accordance with their respective Commitments (or, if such Commitments shall have expired or been terminated, in accordance with the respective principal amounts of their outstanding Loans). Each Lender agrees that in computing such Lender's portion of any

Loan to be made hereunder, the Administrative Agent may, in its discretion, round such Lender's percentage of such Loan to the next higher or lower whole Dollar amount.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the relevant borrowing date that such Lender will not make available to the Administrative Agent such Lender's portion of a borrowing, the Administrative Agent may assume that such Lender has made such portion available to the Administrative Agent on the date of such borrowing in accordance with this Agreement and the Administrative Agent may, in reliance upon such assumption, make available to the relevant Borrower on such date a corresponding amount. If and to the extent that such Lender shall not have made such portion available to the Administrative Agent, each of such Lender and the relevant Borrower agrees to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to such Borrower until the date such amount is repaid to the Administrative Agent at (i) in the case of such Borrower, the interest rate applicable at the time to the relevant Loan and (ii) in the case of such Lender, the Federal Funds Effective Rate. If such Lender shall repay to the Administrative Agent such corresponding amount, such amount shall constitute such Lender's Loan as part of such borrowing for the purposes of this Agreement; provided, that such repayment shall not release such Lender from any liability it may have to such Borrower for the failure to make such Loan at the time required herein.

(c) The failure of any Lender to make any Loan shall not in itself relieve any other Lender of its obligation to lend hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to make any Loan required to be made by such other Lender).

(d) Each Lender may at its option make any Eurodollar Loan by causing any domestic or foreign branch or Lender Affiliate of such Lender to make such Loan; provided, that any exercise of such option shall not affect the obligation of the relevant Borrower to repay such Loan in accordance with the terms of this Agreement.

(e) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness to such Lender resulting from each Loan made by it from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time under this Agreement. The Administrative Agent shall maintain accounts in which it will record (i) the amount of each Loan made hereunder, the Borrower with respect to each Loan, the Type of each Loan and each Interest Period, if any, applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from each Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder from any Borrower and each Lender's share thereof. The entries made in the accounts maintained pursuant to this paragraph (e) shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations therein recorded; provided, however, that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligations of any Borrower to repay the Loans in accordance with their terms.

(f) In order to expedite the transactions contemplated by this Agreement, each Subsidiary Borrower shall be deemed, by its execution and delivery of a Subsidiary Borrower Request, to have appointed Viacom to act as agent on behalf of such Subsidiary Borrower for the purpose of (a) giving any notices contemplated to be given by such Subsidiary Borrower

pursuant to this Agreement, including, without limitation, borrowing notices, prepayment notices, continuation notices, and conversion notices and (b) paying on behalf of such Subsidiary Borrower any Subsidiary Borrower Obligations owing by such Subsidiary Borrower; provided, that each Subsidiary Borrower shall retain the right, in its discretion, to directly give any or all of such notices or make any or all of such payments.

(g) The Administrative Agent shall promptly notify the Lenders upon receipt of any Subsidiary Borrower Designation and Subsidiary Borrower Request.

SECTION 2.15. Sharing of Setoffs.

Except to the extent that this Agreement provides for payments to be allocated to Loans, each Lender agrees that if it shall, through the exercise of a right of banker's lien, setoff or counterclaim against any Borrower, or pursuant to a secured claim under Section 506 of Title 11 of the United States Code or other security or interest arising from, or in lieu of, such secured claim, received by such Lender under any applicable bankruptcy, insolvency or other similar law or otherwise, or by any other means (other than pursuant to any provision of this Agreement), obtain payment (voluntary or involuntary) in respect of any category of its Loans as a result of which the unpaid principal portion of such Loans shall be proportionately less than the unpaid principal portion of such Loans of any other Lender, it shall be deemed simultaneously to have purchased from such other Lender at face value, and shall promptly pay to such other Lender the purchase price for, a participation in such Loans of such other Lender, so that the aggregate unpaid principal amount of such Loans and participations in such Loans held by each Lender shall be in the same proportion to the aggregate unpaid principal amount of all such Loans then outstanding as the principal amount of such Loans of each Lender prior to such exercise of banker's lien, setoff or counterclaim or other event was to the principal amount of all such Loans outstanding prior to such exercise of banker's lien, setoff or counterclaim or other event; provided, however, that, if any such purchase or purchases or adjustments shall be made pursuant to this Section 2.15 and the payment giving rise thereto shall thereafter be recovered, such purchase or purchases or adjustments shall be rescinded to the extent of such recovery and the purchase price or prices or adjustment restored without interest, unless the Lender from which such payment is recovered is required to pay interest thereon, in which case each Lender returning funds to such Lender shall pay its pro rata share of such interest. Any Lender holding a participation in a Loan deemed to have been so purchased may exercise any and all rights of banker's lien, setoff or counterclaim with respect to any and all moneys owing by any Borrower to such Lender by reason thereof as fully as if such Lender had made a Loan directly such Borrower.

SECTION 2.16. Payments.

(a) Except as otherwise expressly provided herein, each Borrower shall make each payment (including principal of or interest on any Loan or any Fees or other amounts) hereunder without setoff or counterclaim and shall make each such payment not later than 12:00 noon, New York City time, on the date when due in Dollars to the Administrative Agent at its offices at The Chase Manhattan Bank, 270 Park Avenue, New York, New York 10017, in immediately available funds.

(b) Whenever any payment (including principal of or interest on any Loan or any Fees or other amounts) hereunder shall become due, or otherwise would occur, on a day that is not a Business Day, such payment may be made on the next succeeding Business Day, and such

extension of time shall in such case be included in the computation of interest or Fees, if applicable.

SECTION 2.17. Taxes.

(a) Any and all payments by each Borrower hereunder shall be made, in accordance with Section 2.16, free and clear of and without deduction for any and all present or future taxes, levies, imposts, duties, charges, fees, deductions, charges or withholdings, and all liabilities with respect thereto imposed by or on behalf of any Governmental Authority, excluding net income taxes and franchise taxes (imposed in lieu of net income taxes) imposed on the Administrative Agent or any Lender as a result of a present or former connection between the Administrative Agent or such Lender and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Administrative Agent's or such Lender's having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement or any other Loan Document) (all such nonexcluded taxes, levies, imposts, duties, charges, fees, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes"). If any Borrower shall be required by law to deduct any Taxes or Other Taxes from or in respect of any sum payable to any Agent or any Lender hereunder, (i) the sum payable shall be increased by the amount necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.17) such Agent or such Lender shall receive an amount equal to the sum it would have received had no such deductions been made, (ii) such Borrower shall make such deductions and (iii) such Borrower shall pay the full amount deducted to the relevant taxing authority or other Governmental Authority in accordance with applicable law.

(b) The relevant Borrower agrees to pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) The relevant Borrower will indemnify each Lender (or Transferee) and the Administrative Agent for the full amount of Taxes and Other Taxes (including any Taxes or Other Taxes imposed by the applicable jurisdiction on amounts payable under this Section 2.17) paid by such Lender (or Transferee) or the Administrative Agent, as the case may be, and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted by the relevant taxing authority or other Governmental Authority. Such indemnification shall be made within 30 days after the date such Lender (or Transferee) or the Administrative Agent, as the case may be, makes written demand therefor.

(d) Whenever any Taxes or Other Taxes are payable by any Borrower, within 30 days thereafter such Borrower shall send to the Administrative Agent for its own account or for the account of the relevant Lender, as the case may be, a certified copy of an official receipt received by such Borrower showing payment thereof (or other evidence of such payment reasonably satisfactory to the Administrative Agent).

(e) Without prejudice to the survival of any other agreement contained herein, the agreements and obligations contained in this Section 2.17 shall survive the payment in full of the principal of and interest on all Loans made hereunder and of all other amounts payable hereunder.

(f) Each Lender (or Transferee) that is not a "United States Person" as defined in Section 7701(a)(30) of the Code (such Lender (or Transferee), a "Non-U.S. Person") shall deliver to Viacom and the Administrative Agent (or, in the case of a participant, to the Lender from which the related participation shall have been purchased) two copies of either U.S. Internal Revenue Service Form W-8BEN or Form W-8ECI, or, in the case of a Non-U.S. Person claiming exemption from U.S. federal withholding tax under Section 871(h) or 881(c) of the Code with respect to payments of "portfolio interest", a Form W-8BEN, or any subsequent versions thereof or successors thereto (and, if such Non-U.S. Person, claiming an exemption with respect to payments of "portfolio interest", delivers a Form W-8BEN, an annual certificate representing that such Non-U.S. Person is not a "bank" for purposes of Section 881(c) of the Code, is not a 10-percent shareholder (within the meaning of Section 871(h)(3)(B) of the Code) of Viacom and is not a controlled foreign corporation related to Viacom (within the meaning of Section 864(d)(4) of the Code)), properly completed and duly executed by such Non-U.S. Person claiming complete exemption from U.S. federal withholding tax on all payments by any Borrower under this Agreement. Such forms shall be delivered by each Non-U.S. Person promptly after it becomes a party to this Agreement (or, in the case of any participant, promptly after the date such participant purchases the related participation). In addition, each Non-U.S. Person shall deliver such forms promptly upon the obsolescence or invalidity of any form previously delivered by such Non-U.S. Person. Each Non-U.S. Person shall promptly notify Viacom at any time it determines that it is no longer in a position to provide any previously delivered certificate to Viacom (or any other form of certification adopted by the U.S. taxing authorities for such purpose). Unless Viacom and the Administrative Agent (or, in the case of a participant, the Lender from which the related participation shall have been purchased) have received forms or other documents satisfactory to them indicating that payments hereunder are not subject to United States withholding tax, the relevant Borrower or the Administrative Agent shall withhold taxes from such payments at the applicable statutory rate in the case of payments of interest to or for any Lender (or Transferee) that is a Non-U.S. Person. Notwithstanding any other provision of this Section 2.17(f), a Non-U.S. Person shall not be required to deliver any form pursuant to this Section 2.17(f) that such Non-U.S. Person is not legally able to deliver by reason of the adoption of any law, rule or regulation, or any change in any law, rule or regulation or in the interpretation thereof, in each case occurring after the date such Non-U.S. Person becomes a Lender (or Transferee).

(g) A Lender that is entitled to an exemption from or reduction of any non-U.S. withholding tax under the law of the jurisdiction in which a Borrower is located, or under any treaty to which such jurisdiction is a party, with respect to payments under this Agreement shall deliver to such Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law or reasonably requested by such Borrower, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate, provided that such Lender is legally entitled to complete, execute and deliver such documentation and in such Lender's reasonable judgment such completion, execution or submission would not materially prejudice the legal position of such Lender.

(h) No Borrower shall be required to pay any additional amounts to any Agent or Lender pursuant to paragraph (a) above (i) if the obligation to pay such additional amounts would not have arisen but for a failure by such Agent or Lender to comply with the provisions of paragraph (f) or (g) above or (ii) in the case of a Transferee, to the extent such additional amounts exceed the additional amounts that would have been payable had no transfer or

assignment to such Transferee occurred; provided, however, that each Borrower shall be required to pay those amounts to any Agent or Lender (or Transferee) that it was required to pay hereunder prior to the failure of such Agent or Lender (or Transferee) to comply with the provisions of such paragraph (f) or (g).

SECTION 2.18. Termination or Assignment of Commitments Under Certain Circumstances.

(a) Any Lender (or Transferee) claiming any additional amounts payable pursuant to Section 2.12 or Section 2.17 shall use reasonable efforts (consistent with legal and regulatory restrictions) to file any certificate or document requested by any Borrower or to change the jurisdiction of its applicable lending office if the making of such a filing or change would avoid the need for or reduce the amount of any such additional amounts which may thereafter accrue and would not, in the sole determination of such Lender (or Transferee), be otherwise disadvantageous to such Lender (or Transferee).

(b) In the event that (x) any Lender shall have delivered a notice or certificate pursuant to Section 2.12, (y) any Borrower shall be required to make additional payments to any Lender under Section 2.17, or (z) any Lender (a "Non-Consenting Lender") shall withhold its consent to any amendment described in clause (i) or (ii) of Section 9.8(b) as to which consents have been obtained from Lenders having Total Facility Percentages aggregating at least 90%, Viacom shall have the right, at its own expense, upon notice to such Lender (or Lenders) and the Administrative Agent, (i) to terminate the Commitments of such Lender (except in the case of clause (z) above) or (ii) to require such Lender (or, in the case of clause (z) above, each Non-Consenting Lender) to transfer and assign without recourse (in accordance with and subject to the restrictions contained in Section 9.4) all its interests, rights and obligations under this Agreement to one or more other financial institutions acceptable to Viacom (unless an Event of Default has occurred and is continuing) and the Administrative Agent, which approval in each case shall not be unreasonably withheld, which shall assume such obligations; provided, that (w) in the case of any replacement of Non-Consenting Lenders, each assignee shall have consented to the relevant amendment, (x) no such termination or assignment shall conflict with any law, rule or regulation or order of any Governmental Authority, (y) the Borrowers or the assignee (or assignees), as the case may be, shall pay to each affected Lender in immediately available funds on the date of such termination or assignment the principal of and interest accrued to the date of payment on the Loans made by it hereunder and all other amounts accrued for its account or owed to it hereunder and (z) Viacom may not terminate Commitments representing more than 10% of the original aggregate Commitments pursuant to this paragraph (b).

ARTICLE III

REPRESENTATIONS AND WARRANTIES

Viacom hereby represents and warrants, and each Subsidiary Borrower by its execution and delivery of a Subsidiary Borrower Request represents and warrants (to the extent specifically applicable to such Subsidiary Borrower), to each of the Lenders that:

SECTION 3.1. Corporate Existence.

Each of Viacom and each Material Subsidiary: (a) is a corporation, partnership or other entity duly organized and validly existing under the laws of the jurisdiction of its organization; (b) has all requisite corporate or other power, and has all material governmental licenses, authorizations, consents and approvals, necessary to own its assets and carry on its business as now being or as proposed to be conducted, except where the failure to have any of the foregoing would not result in a Material Adverse Effect; and (c) is qualified to do business in all jurisdictions in which the nature of the business conducted by it makes such qualification necessary and where failure so to qualify would result in a Material Adverse Effect.

SECTION 3.2. Financial Condition.

The consolidated balance sheet of Viacom and its Consolidated Subsidiaries as at December 31, 1999, and the related consolidated statements of income and cash flows of Viacom and its Consolidated Subsidiaries for the fiscal year ended on such date, with the opinion thereon of PricewaterhouseCoopers LLC, heretofore furnished to each of the Lenders, fairly present the consolidated financial condition of Viacom and its Consolidated Subsidiaries as at such date and the consolidated results of their operations for the fiscal year ended on such date in accordance with GAAP. Neither Viacom nor any of its Material Subsidiaries had on such date any known material contingent liability, except as referred to or reflected or provided for in the Exchange Act Report or in such balance sheets (or the notes thereto) as at such date.

SECTION 3.3. Litigation.

Except as disclosed to the Lenders in the Exchange Act Report filed prior to the Closing Date or otherwise disclosed in writing to the Lenders prior to the Closing Date, there are no legal or arbitral proceedings, or any proceedings by or before any Governmental Authority, pending or (to the knowledge of Viacom) threatened against Viacom or any of its Material Subsidiaries which have resulted in a Material Adverse Effect (it being agreed that any legal or arbitral proceedings which have been disclosed in the Exchange Act Report, whether threatened, pending, resulting in a judgment or otherwise, prior to the time a final judgment for the payment of money shall have been recorded against Viacom or any Material Subsidiary by any Governmental Authority having jurisdiction, and the judgment is non-appealable (or the time for appeal has expired) and all stays of execution have expired or been lifted shall not, in and of itself, be deemed to result in a Material Adverse Effect). The "Exchange Act Report" shall mean, collectively, (i) the Annual Report of Viacom on Form 10-K for the year ended December 31, 1999 and Quarterly Reports on Form 10-Q and Reports on Form 8-K of Viacom filed subsequent to December 31, 1999, but on or before February 20, 2001, (ii) the Annual Report of CBS Corporation on Form 10-K for the year ended December 31, 1999 and Quarterly Reports on Form 10-Q and Reports on Form 8-K of Viacom filed subsequent to December 31, 1999, but on or before February 20, 2001, and (iii) Reports on Form S-4 filed on October 7, 1999 and November 22, 2000, in each case, as amended or supplemented on or before February 20, 2001.

SECTION 3.4. No Breach, etc.

None of the execution and delivery of this Agreement, the consummation of the transactions herein contemplated and compliance with the terms and provisions hereof will conflict with or result in a breach of, or require any consent under, the charter or By-laws (or other equivalent organizational documents) of any Borrower, or any applicable law or regulation,

or any order, writ, injunction or decree of any Governmental Authority, or any material agreement or instrument to which Viacom or any of its Material Subsidiaries is a party or by which any of them is bound or to which any of them is subject, or constitute a default under any such agreement or instrument, or result in the creation or imposition of any Lien upon any of the revenues or assets of Viacom or any of its Material Subsidiaries pursuant to the terms of any such agreement or instrument. Neither Viacom nor any of its Material Subsidiaries is in default under or with respect to any of its material contractual obligations in any respect which would have a Material Adverse Effect.

SECTION 3.5. Corporate Action.

Each Borrower has all necessary corporate power and authority to execute, deliver and perform its obligations under this Agreement; the execution and delivery by each Borrower of this Agreement (or, in the case of each Subsidiary Borrower, the relevant Subsidiary Borrower Request), and the performance by each Borrower of this Agreement, have been duly authorized by all necessary corporate action on such Borrower's part; this Agreement (or, in the case of each Subsidiary Borrower, the relevant Subsidiary Borrower Request) has been duly and validly executed and delivered by each Borrower; and this Agreement constitutes a legal, valid and binding obligation of each Borrower, enforceable in accordance with its terms except as such enforceability may be limited by (a) bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or similar laws of general applicability affecting the enforcement of creditors' rights and (b) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

SECTION 3.6. Approvals.

No authorizations, approvals or consents of, and no filings or registrations with, any Governmental Authority are necessary for the execution, delivery or performance by each Borrower of this Agreement or for the validity or enforceability hereof.

SECTION 3.7. ERISA.

Viacom and, to the best of its knowledge, its ERISA Affiliates have fulfilled their respective obligations under the minimum funding standards of ERISA and the Code with respect to each Plan and are in compliance in all material respects with the currently applicable provisions of ERISA and the Code except where any failure or non-compliance would not result in a Material Adverse Effect.

SECTION 3.8. Taxes.

As of the Closing Date, United States Federal income tax returns of or including Viacom have been, to the knowledge of Viacom, examined and closed through the fiscal year of Viacom ended December 31, 1994. Viacom and its Material Subsidiaries, to the knowledge of Viacom, have filed all United States Federal income tax returns and all other material tax returns which are required to be filed by or in respect of them and have paid or caused to be paid all taxes shown as due on such returns or pursuant to any assessment received by Viacom or any of its Material Subsidiaries, except those being contested and reserved against in accordance with Section 5.2.

SECTION 3.9. Investment Company Act.

No Borrower is an "investment company", or a company "controlled" by an "investment company", subject to regulation under the Investment Company Act of 1940, as amended.

SECTION 3.10. Environmental.

Except as in the aggregate would not have a Material Adverse Effect, neither Viacom nor any of its Subsidiaries has received any notice of violation, alleged violation, non-compliance or liability regarding environmental matters or compliance with Environmental Laws with regard to any of its or its Subsidiaries' Properties or business, nor does Viacom have any knowledge that any notice will be received or is being threatened.

SECTION 3.11. Material Subsidiaries.

The list of Material Subsidiaries set forth in the most recently issued Form 10-K of Viacom is complete and correct in all material respects as of the date of the issuance of such Form 10-K.

ARTICLE IV

CONDITIONS OF EFFECTIVENESS AND LENDING

SECTION 4.1. Effectiveness.

The effectiveness of this Agreement is subject to the satisfaction of the following conditions:

(a) Credit Agreement. The Administrative Agent shall have received this Agreement, executed and delivered by a duly authorized officer of Viacom and Viacom International.

(b) Five-Year Credit Agreement. All conditions to effectiveness set forth in Section 4.1 of the Five-Year Credit Agreement shall have been satisfied.

(c) Closing Certificate. The Administrative Agent shall have received a Closing Certificate, substantially in the form of Exhibit E, of Viacom and Viacom International, with appropriate insertions and attachments.

(d) Termination of Existing Credit Agreements. The Existing Credit Agreements shall have been paid in full and all obligations thereunder shall have been terminated.

(e) Opinion of Counsel. The Administrative Agent shall have received an opinion of the general counsel of Viacom and Viacom International in form and substance satisfactory to the Administrative Agent and customary for transactions of this type.

SECTION 4.2. Initial Loans to Subsidiary Borrowers.

The obligation of each Lender to make its initial Loan to a particular Subsidiary Borrower, if designated as such after the Closing Date, is subject to the satisfaction of the conditions that (a) Viacom shall have delivered to the Administrative Agent a Subsidiary Borrower Designation for such Subsidiary Borrower and (b) such Subsidiary Borrower shall have furnished to the Administrative Agent (i) a Subsidiary Borrower Request, (ii) a Closing Certificate of such Subsidiary Borrower, with appropriate insertions and attachments and (iii) one or more executed legal opinions with respect to such Subsidiary Borrower, in form and substance reasonably satisfactory to the Administrative Agent. Viacom may from time to time deliver a subsequent Subsidiary Borrower Designation with respect to any Subsidiary Borrower, countersigned by such Subsidiary Borrower, for the purpose of terminating such Subsidiary Borrower's designation as such, so long as, on the effective date of such termination, all Subsidiary Borrower Obligations in respect of such Subsidiary Borrower shall have been paid in full. In addition, if on any date a Subsidiary Borrower shall cease to be a Subsidiary, all Subsidiary Borrower Obligations in respect of such Subsidiary Borrower shall automatically become due and payable on such date and no further Loans may be borrowed by such Subsidiary Borrower hereunder.

SECTION 4.3. All Credit Events.

The obligation of each Lender to make each Loan are subject to the satisfaction of the following conditions:

(a) The Administrative Agent shall have received a request for, or notice of, such Credit Event if and as required by Section 2.3;

(b) Each of the representations and warranties made by Viacom and, in the case of a borrowing by a Subsidiary Borrower, by such Subsidiary Borrower, in Sections 3.1, 3.2, 3.4, 3.5 and 3.6 shall be true and correct in all material respects on and as of the date of such Credit Event with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date in which case such representations and warranties shall be true and correct in all material respects as of such earlier date;

(c) At the time of and immediately after giving effect to such Credit Event no Default or Event of Default shall have occurred and be continuing; and

(d) After giving effect to such Credit Event, (i) the Outstanding Extensions of Credit of each Lender shall not exceed such Lender's Commitment then in effect and (ii) the Total Facility Exposure shall not exceed the Total Commitment then in effect.

Each Credit Event shall be deemed to constitute a representation and warranty by Viacom on the date of such Credit Event as to the matters specified in paragraphs (b) and (c) of this Section 4.3.

ARTICLE V

COVENANTS

Viacom covenants and agrees with each Lender that, as long as the Commitments shall be in effect or the principal of or interest on any Loan shall be unpaid, unless the Required Lenders shall otherwise consent in writing:

SECTION 5.1. Financial Statements.

Viacom shall deliver to each of the Lenders:

(a) within 60 days after the end of each of the first three quarterly fiscal periods of each fiscal year of Viacom, consolidated statements of income and cash flows of Viacom and its Consolidated Subsidiaries for such period and for the period from the beginning of the respective fiscal year to the end of such period, and the related consolidated balance sheet as at the end of such period, setting forth in each case in comparative form the corresponding consolidated figures for the corresponding period in the preceding fiscal year, accompanied by a certificate of a Financial Officer of Viacom which certificate shall state that such financial statements fairly present the consolidated financial condition and results of operations of Viacom and its Consolidated Subsidiaries in accordance with GAAP as at the end of, and for, such period, subject to normal year-end audit adjustments; provided, that the requirement herein for the furnishing of such quarterly financial statements may be fulfilled by providing to the Lenders the report of Viacom to the SEC on Form 10-Q for the applicable quarterly period, accompanied by the officer's certificate described in the last sentence of this Section 5.1;

(b) within 120 days after the end of each fiscal year of Viacom, consolidated statements of income and cash flows of Viacom and its Consolidated Subsidiaries for such year and the related consolidated balance sheet as at the end of such year, setting forth in comparative form the corresponding consolidated figures for the preceding fiscal year, and accompanied by an opinion thereon (unqualified as to the scope of the audit) of independent certified public accountants of recognized national standing, which opinion shall state that such consolidated financial statements fairly present the consolidated financial condition and results of operations of Viacom and its Consolidated Subsidiaries as at the end of, and for, such fiscal year; provided, that the requirement herein for the furnishing of annual financial statements may be fulfilled by providing to the Lenders the report of Viacom to the SEC on Form 10-K for the applicable fiscal year;

(c) promptly upon their becoming publicly available, copies of all registration statements and regular periodic reports (including without limitation any and all reports on Form 8-K), if any, which Viacom or any of its Subsidiaries shall have filed with the SEC or any national securities exchange;

(d) promptly upon the mailing thereof to the shareholders of Viacom generally, copies of all financial statements, reports and proxy statements so mailed;

(e) within 30 days after a Responsible Officer of Viacom knows or has reason to believe that any of the events or conditions specified below with respect to any Plan or Multiemployer Plan have occurred or exist which would reasonably be expected to result in a

Material Adverse Effect, a statement signed by a senior financial officer of Viacom setting forth details respecting such event or condition and the action, if any, which Viacom or its ERISA Affiliate proposes to take with respect thereto (and a copy of any report or notice required to be filed with or given to PBGC by Viacom or an ERISA Affiliate with respect to such event or condition):

(i) any reportable event, as defined in Section 4043(b) of ERISA and the regulations issued thereunder, with respect to a Plan, as to which PBGC has not by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within 30 days of the occurrence of such event; provided, that a failure to meet the minimum funding standard of Section 412 of the Code or Section 302 of ERISA shall be a reportable event regardless of the issuance of any waiver in accordance with Section 412(d) of the Code;

(ii) the filing under Section 4041 of ERISA of a notice of intent to terminate any Plan or the termination of any Plan;

(iii) the institution by PBGC of proceedings under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by Viacom or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by PBGC with respect to such Multiemployer Plan;

(iv) the complete or partial withdrawal by Viacom or any ERISA Affiliate under Section 4201 or 4204 of ERISA from a Multiemployer Plan, or the receipt by Viacom or any ERISA Affiliate of notice from a Multiemployer Plan that it is in reorganization or insolvency pursuant to Section 4241 or 4245 of ERISA or that it intends to terminate or has terminated under Section 4041A of ERISA;

(v) the institution of a proceeding by a fiduciary of any Multiemployer Plan against Viacom or any ERISA Affiliate to enforce Section 515 of ERISA, which proceeding is not dismissed within 30 days; and

(vi) a failure to make a required installment or other payment with respect to a Plan (within the meaning of Section 412(n) of the Code), in which case the notice required hereunder shall be provided within 10 days after the due date for filing notice of such failure with the PBGC;

(f) promptly after a Responsible Officer of Viacom knows or has reason to believe that any Default or Event of Default has occurred, a notice of such Default or Event of Default describing it in reasonable detail and, together with such notice or as soon thereafter as possible, a description of the action that Viacom has taken and proposes to take with respect thereto;

(g) promptly after a Responsible Officer of Viacom knows that any change has occurred in Viacom's Debt Rating by either Rating Agency, a notice describing such change; and

(h) promptly from time to time such other information regarding the financial condition, operations or business of Viacom or any of its Subsidiaries (including, without

limitation, any Plan or Multiemployer Plan and any reports or other information required to be filed under ERISA) as any Lender through the Administrative Agent may reasonably request.

Viacom will furnish to the Administrative Agent and each Lender, at the time it furnishes each set of financial statements pursuant to paragraph (a) or (b) above, a certificate (which may be a copy in the case of each Lender) of a Financial Officer of Viacom (a "Compliance Certificate") (i) to the effect that no Default or Event of Default has occurred and is continuing (or, if any Default or Event of Default has occurred and is continuing, describing it in reasonable detail and describing the action that Viacom has taken and proposes to take with respect thereto), and (ii) setting forth in reasonable detail the computations (including any pro forma calculations as described in Section 1.2(c)) necessary to determine whether Viacom is in compliance with the Financial Covenant as of the end of the respective quarterly fiscal period or fiscal year. Each Lender hereby agrees that Viacom may, in its discretion, provide any notice, report or other information to be provided pursuant to this Section 5.1 to such Lender by (i) electronic mail to the electronic mail address provided by such Lender and/or (ii) through access to a web site, including, without limitation, www.sec.gov.

SECTION 5.2. Corporate Existence, Etc.

Viacom will, and will cause each of its Material Subsidiaries to, preserve and maintain its legal existence and all of its material rights, privileges and franchises (provided that (a) nothing in this Section 5.2 shall prohibit any transaction expressly permitted under Section 5.4, (b) the corporate existence of any Subsidiary (other than a Subsidiary Borrower or Viacom International) may be terminated if, in the good faith judgment of the board of directors or the chief financial officer of Viacom, such termination is in the best interests of Viacom and such termination would not have a Material Adverse Effect), and (c) Viacom or such Material Subsidiary shall not be required to preserve or maintain any such right, privilege or franchise if the Board of Directors of Viacom or such Material Subsidiary, as the case may be, shall determine that the preservation or maintenance thereof is no longer desirable in the conduct of the business of Viacom or such Material Subsidiary, as the case may be); comply with the requirements of all applicable laws, rules, regulations and orders of Governmental Authorities (including, without limitation, all Environmental Laws) and with all contractual obligations if failure to comply with such requirements or obligations would reasonably be expected to result in a Material Adverse Effect; pay and discharge all material taxes, assessments, governmental charges, levies or other obligations of whatever nature imposed on it or on its income or profits or on any of its Property prior to the date on which penalties attach thereto, except for any such tax, assessment, charge, levy or other obligation the payment of which is being contested in good faith and by proper proceedings and against which adequate reserves are being maintained; maintain all its Property used or useful in its business in good working order and condition, ordinary wear and tear excepted, all as in the judgment of Viacom or such Material Subsidiary may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times (provided that Viacom or such Material Subsidiary shall not be required to maintain any such Property if the failure to maintain any such Property is, in the judgment of Viacom or such Material Subsidiary, desirable in the conduct of the business of Viacom or such Material Subsidiary); keep proper books of records and accounts in which entries that are full, true and correct in all material respects shall be made in conformity with GAAP; and permit representatives of any Lender, during normal business hours upon reasonable advance notice, to inspect any of its books and records and to discuss its business and affairs with its Financial Officers or their designees, all to the extent reasonably requested by such Lender.

SECTION 5.3. Insurance.

Viacom will, and will cause each of its Material Subsidiaries to, keep insured by financially sound and reputable insurers all Property of a character usually insured by corporations engaged in the same or similar business and similarly situated against loss or damage of the kinds and in the amounts consistent with prudent business practice and carry such other insurance as is consistent with prudent business practice (it being understood that self-insurance shall be permitted to the extent consistent with prudent business practice).

SECTION 5.4. Prohibition of Fundamental Changes.

Viacom will not, and will not permit any of its Material Subsidiaries to (i) enter into any transaction of merger, consolidation, liquidation or dissolution or (ii) Dispose of, in one transaction or a series of related transactions, all or a substantial part of the consolidated assets of Viacom and its Subsidiaries taken as a whole, whether now owned or hereafter acquired (excluding (x) financings by way of sales of receivables or inventory, (y) inventory or other Property Disposed of in the ordinary course of business and (z) obsolete or worn-out Property, tools or equipments no longer used or useful in its business). Notwithstanding the foregoing provisions of this Section 5.4:

(a) Viacom may consummate the Blockbuster Event;

(b) any Subsidiary of Viacom may be merged or consolidated with or into: (i) Viacom if Viacom shall be the continuing or surviving corporation or (ii) any other such Subsidiary; provided, that (x) if any such transaction shall be between a Subsidiary and a Wholly Owned Subsidiary, such Wholly Owned Subsidiary shall be the continuing or surviving corporation and (y) if any such transaction shall be between a Subsidiary and a Subsidiary Borrower, the continuing or surviving corporation shall be a Subsidiary Borrower;

(c) any Subsidiary of Viacom may distribute, dividend or Dispose of any of or all its Property (upon voluntary liquidation or otherwise) to Viacom or a Wholly Owned Subsidiary of Viacom;

(d) Viacom may merge or consolidate with or into any other Person (including, without limitation, Viacom International) if (i) either (x) Viacom is the continuing or surviving corporation or (y) the corporation formed by such consolidation or into which Viacom is merged shall be a corporation organized under the laws of the United States of America, any State thereof or the District of Columbia and shall expressly assume the obligations of Viacom hereunder pursuant to a written agreement and shall have delivered to the Administrative Agent such agreement and a certificate of a Responsible Officer and an opinion of counsel to the effect that such merger or consolidation complies with this Section 5.4(c), and (ii) after giving effect thereto and to any repayment of Loans to be made upon consummation thereof (it being expressly understood that no repayment of Loans is required solely by virtue thereof), no Default or Event of Default shall have occurred and be continuing;

(e) any Subsidiary of Viacom may merge or consolidate with or into any other Person if, after giving effect thereto and to any repayment of Loans to be made upon the consummation thereof (it being expressly understood that, except as otherwise expressly provided in Section 4.2 with respect to Subsidiary Borrowers, no repayment of Loans is required

solely by virtue thereof), no Default or Event of Default shall have occurred and be continuing; and

(f) Viacom or any Subsidiary of Viacom may Dispose of its Property if, after giving effect thereto and to any repayment of Loans to be made upon the consummation thereof (it being expressly understood that, except as otherwise expressly provided in Section 4.2 with respect to Subsidiary Borrowers, no repayment of Loans is required solely by virtue thereof), no Default or Event of Default shall have occurred and be continuing.

SECTION 5.5. Limitation on Liens

Viacom shall not, directly or indirectly, create or suffer to exist, or permit any of its Subsidiaries to create or suffer to exist, any Lien upon or with respect to any of its Properties, whether now owned or hereafter acquired, or assign, or permit any of its Subsidiaries to assign, any right to receive income, in each case to secure or provide for the payment of any Indebtedness of any Person, except:

(a) Purchase money Liens or purchase money security interests upon or in any Property acquired or held by Viacom or any Subsidiary of Viacom in the ordinary course of business to secure the purchase price of such Property or to secure Indebtedness incurred solely for the purpose of financing the acquisition of such Property;

(b) Liens existing on Property at the time of its acquisition (other than any such Lien created in contemplation of such acquisition);

(c) Liens on Property of Persons which become or became Subsidiaries securing Indebtedness existing, with respect to any such Person, on the date such Person becomes or became a Subsidiary (other than any such Lien created in contemplation of such Person becoming a Subsidiary);

(d) Liens securing Indebtedness incurred by Viacom or any Subsidiary of Viacom; provided, however, that the aggregate principal amount of Indebtedness referred to in this clause (d) secured by Liens shall not exceed \$30,000,000 at any time outstanding; and

(e) any Lien securing the renewal, extension or refunding of any Indebtedness secured by any Lien permitted by clause (a), (b), (c) or (d) above that does not extend to Indebtedness other than that which is being renewed, extended or refunded.

SECTION 5.6. Limitation on Subsidiary Indebtedness.

Viacom will not permit any of its Subsidiaries to create, incur, assume or suffer to exist any Indebtedness (which includes, for the purposes of this Section 5.6, any preferred stock), except:

(a) Indebtedness of any Person which is acquired by Viacom or any of its Subsidiaries after the Closing Date, which Indebtedness was outstanding prior to the date of acquisition of such Person and was not created in anticipation thereof;

(b) any Indebtedness owing by Viacom or any of its Subsidiaries to Viacom or any of its Subsidiaries (including any intercompany Indebtedness created by the declaration of a note payable dividend by any Subsidiary to Viacom or any of its other Subsidiaries);

(c) Indebtedness (including backed-up commercial paper) of any Subsidiary Borrower or Viacom International under this Agreement;

(d) Indebtedness (including backed-up commercial paper) existing at any time under the Five-Year Credit Agreement or under the Existing Infinity Credit Agreement;

(e) Indebtedness outstanding on the Closing Date, with such Indebtedness outstanding as of September 30, 2000 being set forth on Schedule 5.6;

(f) any replacement, renewal, refinancing or extension of any Indebtedness permitted by Section 5.6(a) through (d) or set forth on Schedule 5.6 that does not exceed the aggregate principal amount (plus associated fees and expenses) of the Indebtedness being replaced, renewed, refinanced or extended (except that accrued and unpaid interest may be part of any refinancing); and

(g) Indebtedness incurred after the Closing Date; provided, that after giving effect thereto the aggregate principal amount of Indebtedness incurred pursuant to this paragraph (g) that is outstanding on such date (it being understood that, for the purposes of this paragraph (g), the term "Indebtedness" does not include Indebtedness excepted by any of clauses (a) through (f) inclusive) does not exceed the greater of (i) an aggregate principal amount in excess of 5% of Consolidated Tangible Assets (measured by reference to the then latest financial statements delivered pursuant to Section 5.1(a) or (b), as applicable) and (ii) \$800,000,000 at any time.

SECTION 5.7. Consolidated Coverage Ratio.

Viacom will not permit the Consolidated Coverage Ratio for any period of four consecutive fiscal quarters to be less than 3.00 to 1.00.

SECTION 5.8. Use of Proceeds.

On and after the Closing Date, each Borrower will use the proceeds of the Loans solely for general corporate purposes, including, without limitation, acquisitions and commercial paper backup (in each case in compliance with all applicable legal and regulatory requirements, including, without limitation, Regulation U and the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and the regulations thereunder); provided, that neither any Agent nor any Lender shall have any responsibility as to the use of any of such proceeds.

SECTION 5.9. Transactions with Affiliates.

Excepting transactions directly or indirectly entered into pursuant to any agreement entered into prior to the Closing Date, or transactions contemplated by any agreement directly or indirectly entered into prior to the Closing Date, Viacom will not, and will not permit any of its Material Subsidiaries to, directly or indirectly enter into any material transaction with any Affiliate of Viacom except on terms at least as favorable to Viacom or such Subsidiary as it could obtain on an arm's-length basis.

ARTICLE VI

EVENTS OF DEFAULT.

In case of the happening of any of the following events ("Events of Default"):

(a) (i) any Borrower shall default in the payment when due of any principal of any Loan or (ii) any Borrower shall default in the payment when due of any interest on any Loan, any Fee or any other amount payable by it hereunder and, in the case of this clause (ii), such default shall continue unremedied for a period of five Business Days;

(b) any representation, warranty or certification made or deemed made herein (or in any modification or supplement hereto) by any Borrower, or any certificate furnished to any Lender or the Administrative Agent pursuant to the provisions hereof, shall prove to have been false or misleading in any material respect as of the time made, deemed made or furnished;

(c) (i) Viacom shall default in the performance of any of its obligations under Sections 5.7 or 5.8, (ii) Viacom shall default in the performance of any of its obligations under Section 5.4 and, in the case of this clause (ii), such default shall continue unremedied for a period of 5 days after notice thereof to Viacom by the Administrative Agent or the Required Lenders (through the Administrative Agent) or (iii) Viacom shall default in the performance of any of its other obligations under this Agreement and, in the case of this clause (iii), such default shall continue unremedied for a period of 15 days after notice thereof to Viacom by the Administrative Agent or the Required Lenders (through the Administrative Agent);

(d) Viacom or any of its Subsidiaries shall (i) fail to pay at final maturity any Indebtedness in an aggregate amount in excess of \$250,000,000, or (ii) fail to make any payment (whether of principal, interest or otherwise), regardless of amount, due in respect of, or fail to observe or perform any other term, covenant, condition or agreement contained in any agreement or instrument evidencing or governing, any such Indebtedness, in excess of \$250,000,000 if the effect of any failure referred to in this clause (ii) has caused such Indebtedness to become due prior to its stated maturity (it being agreed that for purposes of this paragraph (d) only, the term "Indebtedness" shall include obligations under any interest rate protection agreement, foreign currency exchange agreement or other interest or exchange rate hedging agreement and that the amount of any Person's obligations under any such agreement shall be the net amount that such Person could be required to pay as a result of a termination thereof by reason of a default thereunder);

(e) Viacom or any of its Material Subsidiaries shall admit in writing its inability, or be generally unable, to pay its debts as such debts become due;

(f) Viacom or any of its Material Subsidiaries shall (i) apply for or consent to the appointment of, or the taking of possession by, a receiver, trustee or liquidator of itself or of all or a substantial part of its Property, (ii) make a general assignment for the benefit of its creditors, (iii) commence a voluntary case under the Bankruptcy Code (as now or hereafter in effect), (iv) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or readjustment of debts, (v) fail to controvert in a timely and appropriate manner, or acquiesce in writing to, any petition filed against it in an

involuntary case under the Bankruptcy Code, or (vi) take any corporate action for the purpose of effecting any of the foregoing;

(g) a proceeding or a case shall be commenced, without the application or consent of Viacom or any of its Material Subsidiaries, in any court of competent jurisdiction, seeking (i) its liquidation, reorganization, dissolution or winding-up, or the composition or readjustment of its debts, (ii) the appointment of a trustee, receiver, custodian, liquidator or the like of Viacom or such Material Subsidiary or of all or any substantial part of its assets or (iii) similar relief in respect of Viacom or such Material Subsidiary under any law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed and in effect, for a period of 60 or more days; or an order for relief against Viacom or such Material Subsidiary shall be entered in an involuntary case under the Bankruptcy Code;

(h) a final judgment or judgments for the payment of money in excess of \$250,000,000 in the aggregate shall be rendered by one or more courts, administrative tribunals or other bodies having jurisdiction against Viacom and/or any of its Material Subsidiaries and the same shall not be paid or discharged (or provision shall not be made for such discharge), or a stay of execution thereof shall not be procured, within 60 days from the date of the date of entry thereof and Viacom or the relevant Material Subsidiary shall not, within said period of 60 days, or such longer period during which execution of the same shall have been stayed, appeal therefrom and cause the execution thereof to be stayed during such appeal;

(i) an event or condition specified in Section 5.1(e) shall occur or exist with respect to any Plan or Multiemployer Plan and, as a result of such event or condition, together with all other such events or conditions, Viacom or any ERISA Affiliate shall incur or shall be reasonably likely to incur a liability to a Plan, a Multiemployer Plan or PBGC (or any combination of the foregoing) which would constitute a Material Adverse Effect; or

(j) The guarantee (i) by Viacom contained in Section 8.1 shall cease, for any reason, to be in full force and effect or Viacom shall so assert or (ii) by Viacom International contained in Section 8.2 shall cease, for any reason except pursuant to Section 8.2(g), to be in full force and effect or Viacom International shall so assert;

then and in every such event (other than an event with respect to Viacom described in paragraph (f) or (g) above), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to Viacom, take any or all of the following actions, at the same or different times: (I) terminate forthwith the Commitments and (II) declare the Loans then outstanding to be forthwith due and payable in whole or in part, whereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of each Borrower accrued hereunder, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by each Borrower, anything contained herein to the contrary notwithstanding; and in any event with respect to any Borrower described in paragraph (f) or (g) above, (A) if such Borrower is Viacom, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of each Borrower accrued hereunder, shall automatically become due and payable and (B) if such Borrower is a Subsidiary Borrower, the principal of the Loans made to such

Subsidiary Borrower then outstanding, together with accrued interest thereon and all other liabilities of such Subsidiary Borrower accrued hereunder, shall automatically become due and payable, in each case without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by each Borrower, anything contained herein to the contrary notwithstanding.

ARTICLE VII

THE AGENTS

In order to expedite the transactions contemplated by this Agreement, each Agent is hereby appointed to act as Agent on behalf of the Lenders. Each of the Lenders hereby irrevocably authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are specifically delegated to the Administrative Agent by the terms and provisions hereof, together with such actions and powers as are reasonably incidental thereto. The Administrative Agent is hereby expressly authorized by the Lenders, without hereby limiting any implied authority, (a) to receive on behalf of the Lenders all payments of principal of and interest on the Loans and all other amounts due to the Lenders hereunder, and promptly to distribute to each Lender its proper share of each payment so received; (b) to give notice on behalf of each of the Lenders to the Borrowers of any Event of Default specified in this Agreement of which the Administrative Agent has actual knowledge acquired in connection with its agency hereunder; and (c) to distribute to each Lender copies of all notices, financial statements and other materials delivered by any Borrower pursuant to this Agreement as received by the Administrative Agent.

Neither any Agent nor any of its directors, officers, employees or agents shall be liable as such for any action taken or omitted by any of them except for its or his own gross negligence or willful misconduct, or be responsible for any statement, warranty or representation herein or the contents of any document delivered in connection herewith, or be required to ascertain or to make any inquiry concerning the performance or observance by any Borrower of any of the terms, conditions, covenants or agreements contained in this Agreement. The Agents shall not be responsible to the Lenders for the due execution, genuineness, validity, enforceability or effectiveness of this Agreement or other instruments or agreements. The Administrative Agent shall in all cases be fully protected in acting, or refraining from acting, in accordance with written instructions signed by the Required Lenders (or, when expressly required hereby, all the Lenders) and, except as otherwise specifically provided herein, such instructions and any action or inaction pursuant thereto shall be binding on all the Lenders. The Administrative Agent shall, in the absence of knowledge to the contrary, be entitled to rely on any instrument or document believed by it in good faith to be genuine and correct and to have been signed or sent by the proper Person or Persons. Neither the Agents nor any of their directors, officers, employees or agents shall have any responsibility to any Borrower on account of the failure of or delay in performance or breach by any Lender of any of its obligations hereunder or to any Lender on account of the failure of or delay in performance or breach by any other Agent, any other Lender or any Borrower of any of their respective obligations hereunder or in connection herewith. The Administrative Agent may execute any and all duties hereunder by or through agents or employees and shall be entitled to rely upon the advice of legal counsel selected by it with respect to all matters arising hereunder and shall not be liable for any action taken or suffered in good faith by it in accordance with the advice of such counsel.

The Lenders hereby acknowledge that the Administrative Agent shall be under no duty to take any discretionary action permitted to be taken by it pursuant to the provisions of this Agreement unless it shall be requested in writing to do so by the Required Lenders.

Subject to the appointment and acceptance of a successor Administrative Agent as provided below, the Administrative Agent may resign at any time by notifying the Lenders and the Borrowers. Upon any such resignation, the Required Lenders shall have the right to appoint from the Lenders a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint from the Lenders a successor Administrative Agent which shall be a bank with an office in New York, New York, having a combined capital and surplus of at least \$500,000,000 or an affiliate of any such bank, which successor shall be acceptable to Viacom (such acceptance not to be unreasonably withheld). Upon the acceptance of any appointment as Administrative Agent hereunder by a successor bank, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. After the Administrative Agent's resignation hereunder, the provisions of this Article and Section 9.5 shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Administrative Agent.

With respect to the Loans made by them hereunder, the Agents in their individual capacity and not as Agents shall have the same rights and powers as any other Lender and may exercise the same as though they were not Agents, and the Agents and their affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrowers or any of their respective Subsidiaries or any Affiliate thereof as if they were not Agents.

Each Lender agrees (i) to reimburse the Administrative Agent in the amount of its pro rata share (based on its Total Facility Percentage or, after the date on which the Loans shall have been paid in full, based on its Total Facility Percentage immediately prior to such date) of any reasonable, out-of-pocket expenses incurred for the benefit of the Lenders by the Administrative Agent, including reasonable counsel fees and compensation of agents and employees paid for services rendered on behalf of the Lenders, which shall not have been reimbursed by or on behalf of any Borrower and (ii) to indemnify and hold harmless the Administrative Agent and any of its directors, officers, employees or agents, in the amount of such pro rata share, from and against any and all liabilities, taxes, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against it in its capacity as Administrative Agent in any way relating to or arising out of this Agreement or any action taken or omitted by it under this Agreement, to the extent the same shall not have been reimbursed by or on behalf of Viacom; provided, that no Lender shall be liable to the Administrative Agent or any such director, officer, employee or agent for any portion of such liabilities, taxes, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the gross negligence or willful misconduct of the Administrative Agent or any of its directors, officers, employees or agents.

Each Lender acknowledges that it has, independently and without reliance upon the Agents or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon any Agent or any other

Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any related agreement or any document furnished hereunder or thereunder.

Neither the Syndication Agent, the Co-Documentation Agents, the Joint Lead Arrangers nor any managing agent shall have any duties or responsibilities hereunder in its capacity as such.

ARTICLE VIII

GUARANTEES

SECTION 8.1. Viacom Guarantee.

(a) Guarantee. In order to induce the Administrative Agent and the Lenders to become bound by this Agreement and to make the Loans hereunder to the Subsidiary Borrowers, and in consideration thereof, Viacom hereby unconditionally and irrevocably guarantees, as primary obligor and not merely as surety, to the Administrative Agent, for the ratable benefit of the Lenders, the prompt and complete payment and performance by each Subsidiary Borrower when due (whether at stated maturity, by acceleration or otherwise) of the Subsidiary Borrower Obligations, and Viacom further agrees to pay any and all expenses (including, without limitation, all reasonable fees, charges and disbursements of counsel) which may be paid or incurred by the Administrative Agent or by the Lenders in enforcing, or obtaining advice of counsel in respect of, any of their rights under the guarantee contained in this Section 8.1(a). The guarantee contained in this Section 8.1(a), subject to Section 8.1(e), shall remain in full force and effect until the Subsidiary Borrower Obligations are paid in full and the Commitments are terminated, notwithstanding that from time to time prior thereto any Subsidiary Borrower may be free from any Subsidiary Borrower Obligations. Viacom agrees that whenever, at any time, or from time to time, it shall make any payment to the Administrative Agent or any Lender on account of its liability under this Section 8.1, it will notify the Administrative Agent and such Lender in writing that such payment is made under the guarantee contained in this Section 8.1 for such purpose. No payment or payments made by any Subsidiary Borrower or any other Person or received or collected by the Administrative Agent or any Lender from any Subsidiary Borrower or any other Person by virtue of any action or proceeding or any setoff or appropriation or application, at any time or from time to time, in reduction of or in payment of the Subsidiary Borrower Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of Viacom under this Section 8.1 which, notwithstanding any such payment or payments, shall remain liable for the unpaid and outstanding Subsidiary Borrower Obligations until, subject to Section 8.1(e), the Subsidiary Borrower Obligations are paid in full and the Commitments are terminated. Notwithstanding any other provision herein, the maximum liability of Viacom under this Section 8.1 shall in no event exceed the amount which can be guaranteed by Viacom under applicable law.

(b) No Subrogation, etc.

Notwithstanding any payment or payments made by Viacom hereunder, or any set-off or application of funds of Viacom by the Administrative Agent or any Lender, Viacom shall not be entitled to be subrogated to any of the rights of the Administrative Agent or any Lender against any Subsidiary Borrower or against any collateral security or guarantee or right of

offset held by the Administrative Agent or any Lender for the payment of the Subsidiary Borrower Obligations, nor shall Viacom seek or be entitled to seek any contribution, reimbursement, exoneration or indemnity from or against any Subsidiary Borrower in respect of payments made by Viacom hereunder, until all amounts owing to the Administrative Agent and the Lenders by the Subsidiary Borrowers on account of the Subsidiary Borrower Obligations are paid in full and the Commitments are terminated. So long as the Subsidiary Borrower Obligations remain outstanding, if any amount shall be paid by or on behalf of any Subsidiary Borrower or any other Person to Viacom on account of any of the rights waived in this Section 8.1, such amount shall be held by Viacom in trust, segregated from other funds of Viacom, and shall, forthwith upon receipt by Viacom, be turned over to the Administrative Agent in the exact form received by Viacom (duly indorsed by Viacom to the Administrative Agent, if required), to be applied against the Subsidiary Borrower Obligations, whether matured or unmatured, in such order as the Administrative Agent may determine.

(c) Amendments, etc. with respect to the Subsidiary Borrower Obligations.

Viacom shall remain obligated under this Section 8.1 notwithstanding that, without any reservation of rights against Viacom, and without notice to or further assent by Viacom, any demand for payment of or reduction in the principal amount of any of the Subsidiary Borrower Obligations made by the Administrative Agent or any Lender may be rescinded by the Administrative Agent or such Lender, and any of the Subsidiary Borrower Obligations continued, and the Subsidiary Borrower Obligations, or the liability of any other party upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Administrative Agent or any Lender, and this Agreement and any other documents executed and delivered in connection herewith may be amended, modified, supplemented or terminated, in whole or in part, as the Required Lenders (or all Lenders, as the case may be) may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by the Administrative Agent or any Lender for the payment of the Subsidiary Borrower Obligations may be sold, exchanged, waived, surrendered or released. Neither the Administrative Agent nor any Lender shall have any obligation to protect, secure, perfect or insure any lien at any time held by it as security for the Subsidiary Borrower Obligations or for the guarantee contained in this Section 8.1 or any property subject thereto.

(d) Guarantee Absolute and Unconditional.

Viacom waives any and all notice of the creation, renewal, extension or accrual of any of the Subsidiary Borrower Obligations and notice of or proof of reliance by the Administrative Agent or any Lender upon the guarantee contained in this Section 8.1 or acceptance of the guarantee contained in this Section 8.1; the Subsidiary Borrower Obligations shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the guarantee contained in this Section 8.1; and all dealings between Viacom or the Subsidiary Borrowers, on the one hand, and the Administrative Agent and the Lenders, on the other, shall likewise be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in this Section 8.1. Viacom waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon Viacom or any Subsidiary Borrower with respect to the Subsidiary Borrower Obligations. The guarantee contained in this Section 8.1 shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity or enforceability of this

Agreement, any of the Subsidiary Borrower Obligations or any collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Administrative Agent or any Lender, (b) the legality under applicable requirements of law of repayment by the relevant Subsidiary Borrower of any Subsidiary Borrower Obligations or the adoption of any requirement of law purporting to render any Subsidiary Borrower Obligations null and void, (c) any defense, setoff or counterclaim (other than a defense of payment or performance by the applicable Subsidiary Borrower) which may at any time be available to or be asserted by Viacom against the Administrative Agent or any Lender, or (d) any other circumstance whatsoever (with or without notice to or knowledge of Viacom or any Subsidiary Borrower) which constitutes, or might be construed to constitute, an equitable or legal discharge of any Subsidiary Borrower for any of its Subsidiary Borrower Obligations, or of Viacom under the guarantee contained in this Section 8.1, in bankruptcy or in any other instance. When the Administrative Agent or any Lender is pursuing its rights and remedies under this Section 8.1 against Viacom, the Administrative Agent or any Lender may, but shall be under no obligation to, pursue such rights and remedies as it may have against any Subsidiary Borrower or any other Person or against any collateral security or guarantee for the Subsidiary Borrower Obligations or any right of offset with respect thereto, and any failure by the Administrative Agent or any Lender to pursue such other rights or remedies or to collect any payments from any Subsidiary Borrower or any such other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of any Subsidiary Borrower or any such other Person or of any such collateral security, guarantee or right of offset, shall not relieve Viacom of any liability under this Section 8.1, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Administrative Agent and the Lenders against Viacom.

(e) Reinstatement.

The guarantee contained in this Section 8.1 shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Subsidiary Borrower Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of any Subsidiary Borrower or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, any Subsidiary Borrower or any substantial part of its property, or otherwise, all as though such payments had not been made.

(f) Payments.

Viacom hereby agrees that any payments in respect of the Subsidiary Borrower Obligations pursuant to this Section 8.1 will be paid to the Administrative Agent without setoff or counterclaim in Dollars at the office of the Administrative Agent specified in Section 9.1.

SECTION 8.2. Viacom International Guarantee.

(a) Guarantee. In order to induce the Administrative Agent and the Lenders to become bound by this Agreement and to make the Loans hereunder to Viacom, and in consideration thereof, Viacom International hereby unconditionally and irrevocably guarantees, as primary obligor and not merely as surety, to the Administrative Agent, for the ratable benefit of the Lenders, the prompt and complete payment and performance by Viacom when due (whether at stated maturity, by acceleration or otherwise) of the Viacom Obligations, and

Viacom International further agrees to pay any and all expenses (including, without limitation, all reasonable fees, charges and disbursements of counsel) which may be paid or incurred by the Administrative Agent or by the Lenders in enforcing, or obtaining advice of counsel in respect of, any of their rights under the guarantee contained in this Section 8.2(a). The guarantee contained in this Section 8.2(a), subject to Section 8.2(e), shall remain in full force and effect until the Viacom Obligations are paid in full and the Commitments are terminated, notwithstanding that from time to time prior thereto Viacom may be free from any Viacom Obligations. Viacom International agrees that whenever, at any time, or from time to time, it shall make any payment to the Administrative Agent or any Lender on account of its liability under this Section 8.2, it will notify the Administrative Agent and such Lender in writing that such payment is made under the guarantee contained in this Section 8.2 for such purpose. No payment or payments made by Viacom or any other Person or received or collected by the Administrative Agent or any Lender from Viacom or any other Person by virtue of any action or proceeding or any setoff or appropriation or application, at any time or from time to time, in reduction of or in payment of the Viacom Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of Viacom International under this Section 8.2 which, notwithstanding any such payment or payments, shall remain liable for the unpaid and outstanding Viacom Obligations until, subject to Section 8.2(e), the Viacom Obligations are paid in full and the Commitments are terminated. Notwithstanding any other provision herein, the maximum liability of Viacom International under this Section 8.2 shall in no event exceed the amount which can be guaranteed by Viacom International under applicable law.

(b) No Subrogation, etc.

Notwithstanding any payment or payments made by Viacom International hereunder, or any set-off or application of funds of Viacom International by the Administrative Agent or any Lender, Viacom International shall not be entitled to be subrogated to any of the rights of the Administrative Agent or any Lender against Viacom or against any collateral security or guarantee or right of offset held by the Administrative Agent or any Lender for the payment of the Viacom Obligations, nor shall Viacom International seek or be entitled to seek any contribution, reimbursement, exoneration or indemnity from or against Viacom in respect of payments made by Viacom International hereunder, until all amounts owing to the Administrative Agent and the Lenders by Viacom on account of the Viacom Obligations are paid in full and the Commitments are terminated. So long as the Viacom Obligations remain outstanding, if any amount shall be paid by or on behalf of Viacom or any other Person to Viacom International on account of any of the rights waived in this Section 8.2, such amount shall be held by Viacom International in trust, segregated from other funds of Viacom International, and shall, forthwith upon receipt by Viacom International, be turned over to the Administrative Agent in the exact form received by Viacom International (duly indorsed by Viacom International to the Administrative Agent, if required), to be applied against the Viacom Obligations, whether matured or unmatured, in such order as the Administrative Agent may determine.

(c) Amendments, etc. with respect to the Viacom Obligations.

Viacom International shall remain obligated under this Section 8.2 notwithstanding that, without any reservation of rights against Viacom International, and without notice to or further assent by Viacom International, any demand for payment of or reduction in the principal amount of any of the Viacom Obligations made by the Administrative Agent or any Lender may be rescinded by the Administrative Agent or such Lender, and any of the Viacom

Obligations continued, and the Viacom Obligations, or the liability of any other party upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Administrative Agent or any Lender, and this Agreement and any other documents executed and delivered in connection herewith may be amended, modified, supplemented or terminated, in whole or in part, as the Required Lenders (or all Lenders, as the case may be) may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by the Administrative Agent or any Lender for the payment of the Viacom Obligations may be sold, exchanged, waived, surrendered or released. Neither the Administrative Agent nor any Lender shall have any obligation to protect, secure, perfect or insure any lien at any time held by it as security for the Viacom Obligations or for the guarantee contained in this Section 8.2 or any property subject thereto.

(d) Guarantee Absolute and Unconditional.

Viacom International waives any and all notice of the creation, renewal, extension or accrual of any of the Viacom Obligations and notice of or proof of reliance by the Administrative Agent or any Lender upon the guarantee contained in this Section 8.2 or acceptance of the guarantee contained in this Section 8.2; the Viacom Obligations shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the guarantee contained in this Section 8.2; and all dealings between Viacom International or Viacom, on the one hand, and the Administrative Agent and the Lenders, on the other, shall likewise be conclusively presumed to have been had or consummated in reliance upon the guarantee contained in this Section 8.2. Viacom International waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon Viacom International or Viacom with respect to the Viacom Obligations. The guarantee contained in this Section 8.2 shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity or enforceability of this Agreement, any of the Viacom Obligations or any collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the Administrative Agent or any Lender, (b) the legality under applicable requirements of law of repayment by Viacom of any Viacom Obligations or the adoption of any requirement of law purporting to render any Viacom Obligations null and void, (c) any defense, setoff or counterclaim (other than a defense of payment or performance by Viacom) which may at any time be available to or be asserted by Viacom International against the Administrative Agent or any Lender, or (d) any other circumstance whatsoever (with or without notice to or knowledge of Viacom International or Viacom) which constitutes, or might be construed to constitute, an equitable or legal discharge of Viacom for any of its Viacom Obligations, or of Viacom International under the guarantee contained in this Section 8.2, in bankruptcy or in any other instance. When the Administrative Agent or any Lender is pursuing its rights and remedies under this Section 8.2 against Viacom International, the Administrative Agent or any Lender may, but shall be under no obligation to, pursue such rights and remedies as it may have against Viacom or any other Person or against any collateral security or guarantee for the Viacom Obligations or any right of offset with respect thereto, and any failure by the Administrative Agent or any Lender to pursue such other rights or remedies or to collect any payments from Viacom or any such other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of Viacom or any such other Person or of any such collateral security, guarantee or right of offset, shall not relieve Viacom International of any liability under this Section 8.2, and shall not impair

or affect the rights and remedies, whether express, implied or available as a matter of law, of the Administrative Agent and the Lenders against Viacom International.

(e) Reinstatement.

The guarantee contained in this Section 8.2 shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Viacom Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Viacom or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, Viacom or any substantial part of its property, or otherwise, all as though such payments had not been made.

(f) Payments.

Viacom International hereby agrees that any payments in respect of the Viacom Obligations pursuant to this Section 8.2 will be paid to the Administrative Agent without setoff or counterclaim in Dollars at the office of the Administrative Agent specified in Section 9.1.

(g) Release of Guarantee.

Notwithstanding the foregoing, the guarantee contained in this Section 8.2 shall be released on the earlier of the date on which (i) all notes, debentures and bonds now or hereafter issued by Viacom which carry a Viacom International guarantee (the "Bonds") are paid in full and (ii) the guarantee of Viacom International with respect to the Bonds is released. On such date, this Section 8.2, including without limitation Section 8.2(e), shall be deemed to have no legal effect whatsoever.

ARTICLE IX

MISCELLANEOUS

SECTION 9.1. Notices.

Notices and other communications provided for herein shall be in writing (or, where permitted to be made by telephone, shall be confirmed promptly in writing) and shall be delivered by hand or overnight courier service, mailed or sent by telecopier as follows:

(a) if to Viacom, to it at Viacom Inc., 1515 Broadway, New York, New York 10036, Attention of Vice President and Treasurer (Telecopy No. (212) 860-2341), with a copy to General Counsel (Telecopy No. (212) 975-9856);

(b) if to Viacom International, to it c/o Viacom Inc., 1515 Broadway, New York, New York 10036, Attention of Vice President and Treasurer (Telecopy No. (212) 860-2341), with a copy to General Counsel (Telecopy No. (212) 975-9856);

(c) if to the Administrative Agent, to it at The Chase Manhattan Bank, 270 Park Avenue, New York, New York 10017, Attention: William Rottino (Telecopy No. 212-270-1204), with a copy to The Chase Manhattan Bank, One Chase Manhattan Plaza, New York, New York, 10080, Attention: Camille Wilson (Telecopy No. 212-552-5700);

(d) if to a Lender, to it at its address (or telecopy number) set forth in Schedule 1.1 or in the Assignment and Acceptance pursuant to which such Lender shall have become a party hereto; and

(e) if to a Subsidiary Borrower, to it at its address set forth in the relevant Subsidiary Request.

Notwithstanding the foregoing, each of Viacom, any other Borrower, the Administrative Agent and the Issuing Lender may, in its discretion, provide any notice, report or other information to be provided under this Agreement to a Lender by (i) electronic mail to the electronic mail address provided by such Lender in its Administrative Questionnaire and/or (ii) through access to a web site. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on (A) the date of receipt if delivered by hand or overnight courier service or sent by telecopy or electronic mail, (B) the date of posting if given by web site access, (C) the date of such telephone call, if permitted by the terms hereof and if promptly confirmed in writing, or (D) on the date five Business Days after dispatch by registered mail if mailed, in each case delivered, sent or mailed (properly addressed) to such party as provided in this Section 9.1 or in accordance with the latest unrevoked direction from such party given in accordance with this Section 9.1.

SECTION 9.2. Survival of Agreement.

All representations and warranties made hereunder and in any certificate delivered pursuant hereto or in connection herewith shall be considered to have been relied upon by the Agents and the Lenders and shall survive the execution and delivery of this Agreement and the making of the Loans and other extensions of credit hereunder, regardless of any investigation made by the Agents or the Lenders or on their behalf.

SECTION 9.3. Binding Effect.

This Agreement shall be binding upon and inure to the benefit of each Borrower, each Agent and each Lender and their respective successors and assigns, except that Viacom shall not have the right to assign its rights or obligations hereunder or any interest herein without the prior consent of all the Lenders.

SECTION 9.4. Successors and Assigns.

(a) Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party, and all covenants, promises and agreements by or on behalf of each Borrower, any Agent or any Lender that are contained in this Agreement shall bind and inure to the benefit of their respective successors and assigns.

(b) Each Lender may assign to one or more assignees all or a portion of its interests, rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided, however, that (i) except in the case of an assignment to a Lender or a Lender Affiliate (other than if at the time of such assignment, such Lender or Lender Affiliate would be entitled to require any Borrower to pay greater amounts under Section 2.17(a) than if no such assignment had occurred, in which case such assignment shall be subject to the consent requirement of this clause (i)), Viacom and the

Administrative Agent must give their prior written consent to such assignment (which consent shall not be unreasonably withheld or delayed), (ii) (x) except in the case of assignments to any Person that is a Lender prior to giving effect to such assignment, the amount of the aggregate Commitments and/or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$10,000,000 and (y) the amount of the aggregate Commitments and/or Loans retained by any assigning Lender (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$10,000,000, unless (in the case of clause (x) or (y) above) the assigning Lender's Commitment and Loans are being reduced to \$0 pursuant to such assignment, (iii) the assignor and assignee shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of \$3,500 and (iv) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire. Upon acceptance and recording pursuant to Section 9.4(e), from and after the effective date specified in each Assignment and Acceptance, which effective date shall be at least five Business Days after the execution thereof (or any lesser period to which the Administrative Agent and Viacom may agree), (A) the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement and (B) the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto (but shall continue to be entitled to the benefits of Sections 2.12, 2.13, 2.17 and 9.5, as well as to any Fees accrued for its account hereunder and not yet paid)).

(c) By executing and delivering an Assignment and Acceptance, the assigning Lender thereunder and the assignee thereunder shall be deemed to confirm to and agree with each other and the other parties hereto as follows: (i) such assigning Lender warrants that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim created by such assigning Lender, (ii) except as set forth in clause (i) above, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or any other instrument or document furnished pursuant hereto, or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto or the financial condition of Viacom or any of its Subsidiaries or the performance or observance by Viacom or any of its Subsidiaries of any of its obligations under this Agreement or any other instrument or document furnished pursuant hereto; (iii) such assignee represents and warrants that it is legally authorized to enter into such Assignment and Acceptance; (iv) such assignee confirms that it has received a copy of this Agreement, together with copies of the most recent financial statements delivered pursuant to Sections 3.2 and 5.1 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (v) such assignee will independently and without reliance upon the Administrative Agent, such assigning Lender or any other Agent or Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (vi) such assignee appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent by the terms hereof, together with such

powers as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms all the obligations which by the terms of this Agreement are required to be performed by it as a Lender.

(d) The Administrative Agent, acting for this purpose as agent of each Borrower, shall maintain at one of its offices in The City of New York a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive in the absence of manifest error and each Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by any Borrower and any Lender at any reasonable time and from time to time upon reasonable prior notice.

(e) Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, an Administrative Questionnaire completed in respect of the assignee (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) above and, if required, the written consent of Viacom and the Administrative Agent to such assignment, the Administrative Agent shall (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to Viacom.

(f) Each Lender may without the consent of any Borrower or the Agents sell participations to one or more banks, other financial institutions or other entities (provided, that any such other entity is a not a competitor of Viacom or any Affiliate of Viacom) all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans owing to it); provided, however, that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) the participating banks or other entities shall be entitled to the benefit of the cost protection provisions contained in Sections 2.12, 2.13 and 2.17 to the same extent as if they were Lenders (provided, that additional amounts payable to any Lender pursuant to Section 2.17 shall be determined as if such Lender had not sold any such participations) and (iv) the Borrowers, the Agents and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement, and such Lender shall retain the sole right to enforce the obligations of each Borrower relating to the Loans and to approve any amendment, modification or waiver of any provision of this Agreement (other than amendments, modifications or waivers decreasing any fees payable hereunder or the amount of principal of or the rate at which interest is payable on the Loans, extending any scheduled principal payment date or date fixed for the payment of interest on the Loans or of Facility Fees, increasing the amount of or extending the Commitments or releasing the guarantee contained in Section 8.1 or 8.2 (except in accordance with Section 8.2(g)), in each case to the extent the relevant participant is directly affected thereby).

(g) Any Lender or participant may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 9.4, disclose to the assignee or participant or proposed assignee or participant any information relating to any Borrower furnished to such Lender by or on behalf of such Borrower; provided, that, prior to any such disclosure of information designated by such Borrower as confidential, each such assignee

or participant or proposed assignee or participant shall execute a Confidentiality Agreement whereby such assignee or participant shall agree (subject to the exceptions set forth therein) to preserve the confidentiality of such confidential information. A copy of each such Confidentiality Agreement executed by an assignee shall be promptly furnished to Viacom.

(h) Notwithstanding the limitations set forth in paragraph (b) above, (i) any Lender may at any time assign or pledge all or any portion of its rights under this Agreement to a Federal Reserve Bank and (ii) any Lender which is a "fund" may at any time assign or pledge all or any portion of its rights under this Agreement to secure such Lender's indebtedness, in each case without the prior written consent of any Borrower or the Administrative Agent; provided, that each such assignment shall be made in accordance with applicable law and no such assignment shall release a Lender from any of its obligations hereunder. In order to facilitate any such assignment, each Borrower shall, at the request of the assigning Lender, duly execute and deliver to the assigning Lender a registered promissory note or notes evidencing the Loans made to such Borrower by the assigning Lender hereunder.

(i) Notwithstanding anything to the contrary contained herein, any Bank (a "Granting Bank") may grant to a special purpose funding vehicle (a "SPC"), identified as such in writing from time to time by the Granting Bank to the Administrative Agent and the relevant Borrower, the option to provide to such Borrower all or any part of any Loan that such Granting Bank would otherwise be obligated to make to such Borrower pursuant to this Agreement; provided, that (i) nothing herein shall constitute a commitment by any SPC to make any Loan, and (ii) if an SPC elects not to exercise such option or otherwise fails to provide all or any part of such Loan, the Granting Bank shall be obligated to make such Loan pursuant to the terms hereof. The making of a Loan by an SPC hereunder shall utilize the Commitment of the Granting Bank to the same extent, and as if, such Loan were made by such Granting Bank. Each party hereto hereby agrees that no SPC shall be liable for any indemnity or similar payment obligation under this Agreement (all liability for which shall remain with the Granting Bank). In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior indebtedness of any SPC, it will not institute against, or join any other person in instituting against, such SPC any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under the laws of the United States or any State thereof. In addition, notwithstanding anything to the contrary contained in this Section, any SPC may (i) with notice to, but without the prior written consent of, the relevant Borrower and the Administrative Agent and without paying any processing fee therefor, assign all or a portion of its interests in any Loans to the Granting Bank or to any financial institutions (consented to by such Borrower and the Administrative Agent) providing liquidity and/or credit support to or for the account of such SPC to support the funding or maintenance of Loans and (ii) disclose on a confidential basis any non-public information relating to its Loans to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancement to such SPC. This section may not be amended without the written consent of any SPC which has been identified as such by the Granting Bank to the Administrative Agent and the relevant Borrower and which then holds any Loan pursuant to this paragraph (i).

(j) Neither Viacom nor any Subsidiary Borrower shall assign or delegate any of its rights or duties hereunder without the prior consent of all the Lenders; provided, Viacom may assign or delegate any of its rights or duties hereunder (excepting its rights and duties pursuant to Section 8.1) to any Subsidiary Borrower and any Subsidiary Borrower may assign or delegate any of its rights or duties hereunder to Viacom or (excepting Viacom International's rights and

duties pursuant to 8.2) to any other Subsidiary Borrower, in each case without the prior consent of the Lenders unless such assignment would adversely affect the Lenders; provided, further, Viacom may and any Subsidiary Borrower may assign or delegate any of its rights and duties hereunder pursuant to a merger or consolidation permitted by Section 5.4(b) or (d) without the prior consent of the Lenders.

SECTION 9.5. Expenses; Indemnity.

(a) Viacom agrees to pay all reasonable legal and other out-of-pocket expenses incurred by JP Morgan, a division of Chase Securities Inc., in its capacity as a Joint Lead Arranger and in its capacity as Sole Bookrunner, and the Administrative Agent and their respective affiliates in connection with the preparation, negotiation, execution and delivery of this Agreement or in connection with any amendments, modifications or waivers of the provisions hereof (whether or not the transactions hereby contemplated shall be consummated) or incurred by any Agent, any Lender in connection with the enforcement or protection of the rights of the Agents, the Lenders under this Agreement or in connection with the Loans made hereunder, including, without limitation, the reasonable fees, charges and disbursements of Simpson Thacher & Bartlett (as set forth in the Letter Agreement, dated as of February 2, 2001, between Simpson Thacher & Bartlett and Viacom), counsel for JP Morgan, a division of Chase Securities Inc., in its capacity as a Joint Lead Arranger and in its capacity as Sole Bookrunner, and the Administrative Agent, and, in connection with any such enforcement or protection, the reasonable fees, charges and disbursements of any other counsel for any Agent or Lender.

(b) Viacom agrees to indemnify and hold harmless each Agent, each Lender and each of their respective directors, officers, employees, affiliates and agents (each, an "Indemnified Person") against, and to reimburse each Indemnified Person, upon its demand, for, any losses, claims, damages, liabilities or other expenses ("Losses") to which such Indemnified Person becomes subject insofar as such Losses arise out of or in any way relate to or result from (i) the execution or delivery of this Agreement or any agreement or instrument contemplated hereby (and any amendment hereto or thereto), the performance by the parties hereto or thereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby or (ii) the use (or proposed use) of the proceeds of the Loans, including, without limitation, Losses consisting of reasonable legal, settlement or other expenses incurred in connection with investigating, defending or participating in any legal proceeding relating to any of the foregoing (whether or not such Indemnified Person is a party thereto); provided, that the foregoing will not apply to any Losses to the extent they are found by a final decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Indemnified Person. No Indemnified Person shall be liable for any damages arising from the use by others of Information or other materials obtained through electronic, telecommunications or other information transmission systems (provided, that the foregoing will not apply to any Losses to the extent they are found by a final decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of such Indemnified Person).

(c) The provisions of this Section 9.5 shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the transactions contemplated hereby, the repayment of any of the Loans, the invalidity or unenforceability of any term or provision of this Agreement or any investigation made by or on

behalf of any Agent or Lender. All amounts under this Section 9.5 shall be payable on written demand therefor.

SECTION 9.6. Right of Setoff.

If an Event of Default shall have occurred and be continuing, each Agent and each Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Agent or Lender to or for the credit or the account of any Borrower against any of and all the obligations of such Borrower now or hereafter existing under this Agreement or the Administrative Agent Fee Letter held by such Agent or Lender which shall be due and payable. The rights of each Agent and each Lender under this Section 9.6 are in addition to other rights and remedies (including other rights of setoff) which such Agent or Lender may have.

SECTION 9.7. APPLICABLE LAW.

THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

SECTION 9.8. Waivers; Amendment.

(a) No failure or delay of any Agent or any Lender in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Agents and the Lenders hereunder are cumulative and are not exclusive of any rights or remedies which they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any Borrower from any such provision shall in any event be effective unless the same shall be permitted by paragraph (b) below, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice or demand on any Borrower in any case shall entitle any Borrower to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement in writing entered into by the Borrowers and the Required Lenders; provided, however, that no such agreement shall (i) reduce the amount or extend the scheduled date of maturity of any Loan or of any installment thereof, interest or fee payable hereunder or extend the scheduled date of any payment thereof or increase the amount or extend the expiration date of any Commitment of any Lender, in each case without the prior written consent of each Lender directly affected thereby; (ii) amend, modify or waive any provision of this Section 9.8(b), or reduce the percentage specified in the definition of "Required Lenders", release the guarantee contained in Section 8.1 or 8.2 (except in accordance with Section 8.2(g)) or consent to the assignment or delegation by Viacom or any Subsidiary Borrower of any of its rights and obligations under this Agreement (except (A) by Viacom (excepting its rights and duties pursuant to Section 8.1) to any Subsidiary Borrower or (B) by any Subsidiary Borrower to Viacom or (excepting Viacom International's rights and duties pursuant to Section 8.2) to any other Subsidiary Borrower and as set forth in Section 9.4(j)), in each case without the prior written consent of all the Lenders; or (iii) amend, modify or waive any provision of Article VII without the prior written consent of each Agent affected thereby;

provided, further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent hereunder in such capacity without the prior written consent of the Administrative Agent.

SECTION 9.9. Entire Agreement.

This Agreement (together with the Subsidiary Borrower Designations and the Subsidiary Borrower Requests) constitutes the entire contract between the parties relative to the subject matter hereof. Any previous agreement among the parties with respect to the subject matter hereof is superseded by this Agreement. Nothing in this Agreement, expressed or implied, is intended to confer upon any party other than the parties hereto any rights, remedies, obligations or liabilities under or by reason of this Agreement.

SECTION 9.10. Waiver of Jury Trial.

Each party hereto hereby waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any litigation directly or indirectly arising out of, under or in connection with this Agreement. Each party hereto (a) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it and the other parties hereto have been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this Section 9.10.

SECTION 9.11. Severability.

In the event any one or more of the provisions contained in this Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 9.12. Counterparts.

This Agreement may be executed in two or more counterparts, each of which constitute an original but all of which when taken together shall constitute but one contract, and shall become effective as provided in Section 9.3.

SECTION 9.13. Headings

Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 9.14. Jurisdiction; Consent to Service of Process.

(a) Each Borrower hereby irrevocably and unconditionally submits, for itself and its Property, to the nonexclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and

unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State court or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each Subsidiary Borrower designates and directs Viacom at its offices at 1515 Broadway, New York, New York 10036, as its agent to receive service of any and all process and documents on its behalf in any legal action or proceeding referred to in this Section 9.14 in the State of New York and agrees that service upon such agent shall constitute valid and effective service upon such Subsidiary Borrower and that failure of Viacom to give any notice of such service to any Subsidiary Borrower shall not affect or impair in any way the validity of such service or of any judgment rendered in any action or proceeding based thereon. Nothing in this Agreement shall affect any right that any Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against any Borrower or its Properties in the courts of any jurisdiction.

(b) Each Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any New York State or Federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.1. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 9.15. Confidentiality.

(a) Each Lender agrees to keep confidential and not to disclose (and to cause its affiliates, officers, directors, employees, agents and representatives to keep confidential and not to disclose) and, at the request of Viacom (except as provided below or if such Lender is required to retain any Confidential Information (as defined below) pursuant to customary internal or banking practices, bank regulations or applicable law), promptly to return to Viacom or destroy the Confidential Information and all copies thereof, extracts therefrom and analyses or other materials based thereon, except that such Lender shall be permitted to disclose Confidential Information (i) to such of its officers, directors, employees, agents, affiliates and representatives as need to know such Confidential Information in connection with such Lender's participation in this Agreement, each of whom shall be informed by such Lender of the confidential nature of the Confidential Information and shall agree to be bound by the terms of this Section 9.15; (ii) to the extent required by applicable laws and regulations or by any subpoena or similar legal process or requested by any Governmental Authority or agency having jurisdiction over such Lender; provided, however, that, except in the case of disclosure to bank regulators or examiners in accordance with customary banking practices, if legally permitted written notice of each instance in which Confidential Information is required or requested to be disclosed shall be furnished to Viacom not less than 30 days prior to the expected date of such disclosure or, if 30 days' notice is not practicable under the circumstances, as promptly as practicable under the circumstances; (iii) to the extent such Confidential Information (A) is or becomes publicly available other than as a result of a breach of this Agreement, (B) becomes available to such Lender on a non-confidential basis from a source other than a party to this Agreement or any other party known to such Lender to be bound by an agreement containing a provision similar to this Section 9.15 or

(C) was available to such Lender on a non-confidential basis prior to this disclosure to such Lender by a party to this Agreement or any other party known to such Lender to be bound by an agreement containing a provision similar to this Section 9.15; (iv) as permitted by Section 9.4(g); or (v) to the extent Viacom shall have consented to such disclosure in writing. As used in this Section 9.15, "Confidential Information" shall mean any materials, documents or information furnished by or on behalf of any Borrower in connection with this Agreement designated by or on behalf of such Borrower as confidential.

(b) Each Lender (i) agrees that, except to the extent the conditions referred to in subclause (A), (B) or (C) of clause (iii) of paragraph (a) above have been met and as provided in paragraph (c) below, (A) it will use the Confidential Information only in connection with its participation in this Agreement and (B) it will not use the Confidential Information in connection with any other matter or in a manner prohibited by any law, including, without limitation, the securities laws of the United States and (ii) understands that breach of this Section 9.15 might seriously prejudice the interest of the Borrowers and that the Borrowers are entitled to equitable relief, including an injunction, in the event of such breach.

(c) Notwithstanding anything to the contrary contained in this Section 9.15, each Agent and each Lender shall be entitled to retain all Confidential Information for so long as it remains an Agent or a Lender to use solely for the purposes of servicing the credit and protecting its rights hereunder.

SECTION 9.16. Waiver of Notice of Termination Period.

By its execution of this Agreement, each Lender hereby waives any right to notice of termination, or any notice period with respect to the termination, of any Existing Credit Agreement that such Lender may have had under such Existing Credit Agreement.

[Remainder of the page left blank intentionally; Signature page to follow.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

VIACOM INC.

By: /s/ Robert G. Freedline

Name: Robert G.Freedline
Title: Vice President and Treasurer

VIACOM INTERNATIONAL INC.

By: /s/ Robert G. Freedline

Name: Robert G.Freedline
Title: Vice President and Treasurer

THE CHASE MANHATTAN BANK, as
Administrative Agent and as a Lender

By: /s/ Thomas H. Kozlark

Name: Thomas H. Kozlark
Title: Vice President

SALOMON SMITH BARNEY INC., as
Syndication Agent and as a Lender

By: /s/ Carolyn A. Kee

Name: Carolyn A. Kee
Title: Attorney-in-Fact

FLEET NATIONAL BANK, as Co-Documentation
Agents and as a Lender

By: /s/ Laura Neenan

Name: Laura Neenan
Title: Assistant Vice President

BANK OF AMERICA, N.A., as Co-Documentation
Agents and as a Lender

By: /s/ Thomas J. Kane

Name: Thomas J. Kane
Title: Vice President

CITIBANK, N.A., as a Lender,

By: /s/ Elizabeth H. Minnella

Name: Elizabeth H. Minnella
Title: Vice President

THE SUMITOMO BANK, LIMITED, as a Lender,

By: /s/ C. Michael Garrido

Name: C. Michael Garrido
Title: Senior Vice President

THE BANK OF NEW YORK, as a Lender,

By: /s/ John R. Ciulla

Name: John R. Ciulla
Title: Vice President

THE BANK OF TOKYO-MITSUBISHI, LTD., NY
BRANCH, as a Lender,

By: /s/ J.J. Wallace, Jr.

Name: J.J. Wallace, Jr.
Title: Executive Vice President

DEUTSCHE BANK A.G., NEW YORK BRANCH
and/or CAYMAN ISLANDS BRANCH, as a Lender,

By: /s/ William W. McGinty

Name: William W. McGinty
Title: Director

By: /s/ Irene Egues

Name: Irene Egues
Title: Vice President

THE DAI-ICHI KANGYO BANK, LTD. (dba
Mizuho Financial Group), as a Lender,

By: /s/ Marvin Mirel Lazar

Name: Marvin Mirel Lazar
Title: Vice President

THE FUJI BANK, LIMITED, as a Lender,

By: /s/ Nobuoki Koike

Name: J.J. Wallace, Jr.
Title: Vice President & Senior Team Leader

THE INDUSTRIAL BANK OF JAPAN, LIMITED
(d.b.a. Mizuho Financial Group),
as a Lender,

By: /s/ William Kennedy

Name: William Kennedy
Title: Senior Vice President

THE BANK OF NOVA SCOTIA, as a Lender,

By: /s/ Vincent J. Fitzgerald, Jr.

Name: Vincent J. Fitzgerald, Jr.
Title: Authorized Signatory

BARCLAYS BANK PLC, as a Lender,

By: /s/ Daniele Iacovone

Name: Daniele Iacovone
Title: Director

THE SANWA BANK, LIMITED, NEW YORK BRANCH,
as a Lender,

By: /s/ Jean-Michel Fatovic

Name: Jean-Michel Fatovic
Title: Vice President

DRESDNER BANK AG, NEW YORK AND GRAND CAYMAN
BRANCHES, as a Lender,

By: /s/ Laura G. Fazio

Name: Laura G. Fazio
Title: First Vice President

By: /s/ Brian Schneider

Name: Brian Schneider
Title: Assistant Vice President

MELLON BANK, N.A., as a Lender,

By: /s/ Raghunatha Reddy

Name: Raghunatha Reddy
Title: Lending Officer

CREDIT SUISSE FIRST BOSTON, as a Lender,

By: /s/ Kristin Lepri

Name: Kristin Lepri
Title: Associate

By: /s/ Bill O'Daly

Name: Bill O'Daly
Title: Vice President

BANK ONE, NA, as a Lender,

By: /s/ Curtis R. Worthington

Name: Curtis R. Worthington
Title: Corporate Banking Officer

THE ROYAL BANK OF SCOTLAND PLC, as a Lender,

By: /s/ David Lucas

Name: David Lucas
Title: Senior Vice President

WACHOVIA BANK, N.A., as a Lender,

By: /s/ J. Timothy Toler

Name: J. Timothy Toler
Title: Senior Vice President

WESTDEUTSCHE LANDESBANK GIROZENTRALE,
NEW YORK BRANCH, as a Lender,

By: /s/ Lucie L. Guernsey

Name: Lucie L. Guernsey
Title: Director

By: /s/ Pascal Kabemba

Name: Pascal Kabemba
Title: Associate Director

LLOYDS TSB BANK PLC, as a Lender,

By: /s/ Windsor R. Davies

Name: Windsor R. Davies
Title: Director, Corporate Bank, USA

By: /s/ David Rodway

Name: David Rodway
Title: Vice President

THE NORINCHUKIN BANK, NEW YORK BRANCH,
as a Lender,

By: /s/ Yoshiro Niino

Name: Yoshiro Niino
Title: General Manager

SUNTRUST BANK, as a Lender,

By: /s/ W. David Wisdom

Name: W. David Wisdom
Title: Vice President

ABN AMRO BANK NV, as a Lender,

By: /s/ David Carrington

Name: David Carrington
Title: Group Vice President

By: /s/ Thomas Cha

Name: Thomas Cha
Title: Corporate Banking Officer

UBS AG, STAMFORD BRANCH, as a Lender,

By: /s/ Dorothy L. McKinley

Name: Dorothy L. McKinley
Title: Director Banking Product Services, US

By: /s/ Wilfred V. Saint

Name: Wilfred V. Saint
Title: Associate Director Banking Product
Services, US

MERRILL LYNCH BANK USA, as a Lender,

By: /s/ Raymond J. Dardano

Name: Raymond J. Dardano
Title: Senior Credit Officer

NATIONAL AUSTRALIA BANK LIMITED, A.C.N.
004044937, as a Lender,

By: /s/ Eduardo Salazar

Name: Eduardo Salazar
Title: Head of Media & Entertainment

THE TOKAI BANK, LIMITED - NEW YORK BRANCH,
as a Lender,

By: /s/ Shinichi Nakatani

Name: Shinichi Nakatani
Title: Assistant General Manager

Subsidiaries of Viacom Inc. are listed below.

SUBSIDIARY NAME -----	PLACE OF INCORPORATION ----- OR ORGANIZATION -----
1020917 Ontario Inc.	Canada (Ontario)
13 Radio Corporation	Delaware
176309 Canada Inc.	Canada (Federal)
2 Day Video, Inc.	Texas
2 Day Video, Inc. of Georgia	Georgia
24th Floor Inc.	Canada (Ontario)
2853-5912 Quebec Inc.	Canada (Quebec)
2gether Productions Inc.	Canada (B.C.)
3247236 Canada, Inc.	Canada
37th Floor Productions Inc.	Delaware
5555 Communications Inc.	Delaware
559733 British Columbia Ltd.	Canada (B.C.)
730806 Alberta Ltd.	Canada (Alberta)
730995 Ontario Inc.	Canada (Ontario)
779991 Ontario Inc.	Canada (Ontario)
90210 Productions, Inc.	California
A.S. Payroll Company	California
Aaron Spelling Productions, Inc.	California
Abaco Farms, Limited	Bahamas
Abandon Productions Inc.	Canada (Ontario)
Acorn Pipe Line Company	Texas
Acorn Properties, Inc.	Texas
Acorn Trading Company	Texas
Addax Music Co., Inc.	Delaware
Administradora de Anuncios Comerciales, S.A .de C.A.	Mexico
Aetrax International Corporation	Delaware
After School Productions Inc.	Delaware
Agency Films Inc.	Canada (Ontario)
Ages Electronics, Inc.	Delaware
Ages Entertainment Software, Inc.	Delaware

SUBSIDIARY NAME -----	PLACE OF INCORPORATION ----- OR ORGANIZATION -----
Ainsa de Mexico, S.A. de C.V.	Mexico
Alaska Oil Company (Partnership)	Florida
Alaska Oil Company, Inc.	Florida
All Media Inc.	Delaware
Alta Broadcasting Company	California
Amadea Film Productions, Inc.	Texas
Amanda Productions Inc.	Canada (Ontario)
American Journal Inc.	New York
Anastasia Advertising Art, Inc.	Florida
Antics G.P. Inc.	Delaware
Antics Inc.	Delaware
Antilles Oil Company, Inc.	Puerto Rico
A-R Acquisition Corp.	Delaware
Ardnasillagh Ltd.	Ireland
Are We Having Fun Yet? Productions	Canada (B.C.)
Aros N.V.	Switzerland
Around the Block Productions, Inc.	Delaware
Artcraft Productions Inc.	Delaware
Aspenfair Music, Inc.	California
Atlanta Bus Shelters	Georgia
Atlantic Associates, Inc.	Delaware
Atlantic Home Video	Delaware
Atlantic Prospect, Inc.	New York
Audio House, Inc., The	California
Avery Productions Inc.	Delaware
Bahamas Underwriters Services Limited	Bahamas
Bardwire Inc.	Delaware
Bay County Energy Systems, Inc.	Delaware
Bay Resource Management, Inc.	Delaware
Belhaven Limited	Bahamas
BET Acquisition Corp.	Delaware
BET Arabesque, LLC	Delaware
BET Creations, Inc.	Delaware
BET Development Company	Delaware

SUBSIDIARY NAME -----	PLACE OF INCORPORATION ----- OR ORGANIZATION -----
BET Documentaries, LLC.	Delaware
BET Event Productions, LLC	Delaware
BET Holdings Inc.	Delaware
BET Innovations Publishing, Inc.	Delaware
BET Interactive, LLC	Delaware
BET International, Inc.	Delaware
BET Music Soundz, Inc.	Delaware
BET Pictures II Development & Production, Inc.	Delaware
BET Pictures II Distribution, Inc.	Delaware
BET Pictures II, LLC	Delaware
BET Publications, LLC	Delaware
BET Radio, L.L.C.	Delaware
BET Satellite Services, Inc.	Delaware
BET Services, Inc.	Delaware
BET Television Productions, LLC	Delaware
Beta Theatres Inc.	Delaware
Beverlyfax Music, Inc.	California
Big Planet Video, Inc.	New Hampshire
Big Shows Inc.	Delaware
Big Ticket Music Inc.	Delaware
Big Ticket Pictures Inc.	Delaware
Big Ticket Productions Inc.	Delaware
Big Ticket Television Inc.	Delaware
Black Entertainment Television, Inc.	Delaware
Black Rock Enterprises, Inc.	New York
Blockbuster Airships, Inc.	Delaware
Blockbuster Amphitheater Corporation	Delaware
Blockbuster Argentina S.A.	Argentina
Blockbuster Australia Pty Ltd.	Australia
Blockbuster BEI Taiwan Ltd.	Taiwan
Blockbuster Canada Co.	Canada (Nova Scotia)
Blockbuster Canada Inc.	Delaware
Blockbuster Computer Systems Corporation	Florida
Blockbuster de Mexico, S.A. de C.V.	Mexico

SUBSIDIARY NAME -----	PLACE OF INCORPORATION ----- OR ORGANIZATION -----
Blockbuster Distribution, Inc.	Delaware
Blockbuster Entertainment (Ireland) Ltd.	Ireland
Blockbuster Entertainment Corporation	Delaware
Blockbuster Entertainment Limited	United Kingdom
Blockbuster Express (Scotland) Ltd.	United Kingdom
Blockbuster Express Limited	United Kingdom
Blockbuster Global Services Inc.	Delaware
Blockbuster Holding Denmark A/S	Denmark
Blockbuster Inc.	Delaware
Blockbuster International Spain Inc.	Delaware
Blockbuster International Taiwan B.V.	Netherlands
Blockbuster Investments LLC	Delaware
Blockbuster Mid-America, Inc.	Delaware
Blockbuster On-Line Services, Inc.	Delaware
Blockbuster Park Lands, Inc.	Florida
Blockbuster Park, Inc.	Delaware
Blockbuster SC Video Operating Corporation	Delaware
Blockbuster Services Inc.	Delaware
Blockbuster Technology Holding Corporation	Delaware
Blockbuster UK Limited	United Kingdom
Blockbuster Uruguay Limitada	Uruguay
Blockbuster Video (New Zealand) Ltd.	New Zealand
Blockbuster Video Acquisition Corp.	Delaware
Blockbuster Video Denmark A/S	Denmark
Blockbuster Video Espana, SpA	Spain
Blockbuster Video International Corporation (Chile) Limitada	Chile
Blockbuster Video Italy, Inc.	Delaware
Blockbuster Video Jylland A/S	Denmark
Blockbuster Video Superstores (Australia) Pty Limited	Australia
Blockbuster.com Holding Inc..	Delaware
Blockbuster.com LLC	Delaware
Blue Cow Inc.	Delaware
BN Productions Inc.	Delaware
Bombay Hook Limited	Delaware

SUBSIDIARY NAME -----	PLACE OF INCORPORATION ----- OR ORGANIZATION -----
Bonneville Wind Corporation	Utah
Box Italy LLC, The	Delaware
Box Italy S.R.L., The	Italy
Box Worldwide LLC, The	Delaware
Branded Productions Inc.	California
Bruin Music Company	Delaware
BS Hotel, Inc.	Delaware
BTC Films Inc.	Canada (Ontario)
Bulletin Company	Delaware
Butterick Road Productions Inc.	Canada (Ontario)
C & W Land Corporation	New Jersey
California Holdings LLC	Delaware
Caloil Inc.	Canada
Cania Productions Inc.	Canada (Ontario)
Capital Equipment Leasing Limited	United Kingdom
Caroline Film Productions, Inc.	California
CATV Enterprises, Inc.	New York
Cayman Overseas Reinsurance Association	Cayman Islands
CBS Broadcast International Asia Inc.	New York
CBS Broadcast International of Canada, Ltd.	Canada (Ontario)
CBS Broadcast Services, Ltd.	England
CBS Broadcasting Inc.	New York
CBS Cable Networks, Inc.	Delaware
CBS Canada Co.	Canada (Nova Scotia)
CBS Communications Services, Inc.	Delaware
CBS Corporation	Pennsylvania
CBS Dallas Media, Inc.	Delaware
CBS Dallas Ventures, Inc.	Texas
CBS FMX Stereo, Inc.	New York
CBS Mass Media Corporation	Delaware
CBS News Communications Inc.	New York
CBS Overseas Inc.	New York
CBS Pageants, Inc.	Delaware
CBS Sports Asia Inc.	New York

SUBSIDIARY NAME -----	PLACE OF INCORPORATION ----- OR ORGANIZATION -----
CBS Survivor Productions, Inc.	Delaware
CBS TeleNoticias do Brasil Ltda.	Brazil
CBS Worldwide Inc.	Delaware
Central Fidelity Insurance Company	Vermont
Centurion Satellite Broadcast Inc.	Delaware
Century Entertainment Ltd.	United Kingdom
CG Films Inc.	Canada (Ontario)
Charlotte Amphitheater Corporation	Delaware
Charmac, Inc.	Florida
Chartcom, Inc.	Delaware
Charter Barge Company	New York
Charter Caribbean Company	Florida
Charter Crude Oil Company	Texas
Charter Crude Oil Trading Company	Texas
Charter Futures Trading Company	Texas
Charter International Development Co.	Florida
Charter International Finance N.V.	Netherlands Antilles
Charter International Oil Company	Texas
Charter Marine Transportation Inc.	Delaware
Charter Media Company	Delaware
Charter Oil (Alaska), Inc.	Florida
Charter Oil (Bahamas) Limited	Bahamas
Charter Oil (Bahamas), Inc.	Florida
Charter Oil (International), Inc.	Florida
Charter Oil Company	Florida
Charter Oil Services, Inc.	Texas
Charter Oil Specialities Limited	Bahamas
Charter Publishing Company	Delaware
Chazo Productions Inc.	Delaware
Chenille International B.V.	Netherlands
CI Productions Inc.	Canada (B.C.)
Cinamerica Service Corporation	Delaware
Cinema Dominicana S.A.	Dominican Republic
Cinematic Arts B.V.	Netherlands

SUBSIDIARY NAME	PLACE OF INCORPORATION OR ORGANIZATION
-----	-----
City Lights Productions Inc.	Canada (B.C.)
Cityvision Investments Ltd.	United Kingdom
Cityvision PLC	United Kingdom
Cityvision Videotheken Ges.M.B.H.	Austria
Classless Inc.	Delaware
Climate Productions Inc.	Canada (B.C.)
Cloverleaf Productions Inc.	Delaware
COFI Credit Corporation	Delaware
Columbia Television, Inc.	New York
Columbus Circle Films Inc.	Delaware
Communities IP Holdings, Inc.	Delaware
Communities LP Holdings, Inc.	Delaware
Compelling Music Corporation	California
Corporate Fleet Leasing Company, Inc.	Delaware
Country Entertainment, Inc.	Delaware
Country Music Television, Inc.	Tennessee
Country Network Enterprises, Inc.	Delaware
country.com, Inc.	Delaware
Creative Film Services Inc.	Delaware
D.E.J. Productions Inc.	Delaware
Day Reagan Productions Inc.	Canada (Ontario)
Dayton Press, Inc.	Florida
DC Films Inc.	Canada (B.C.)
Debate Films Inc.	Canada (Ontario)
Defenders Productions Inc.	Canada (Ontario)
Delaware Blue Steel Inc.	Delaware
Delaware Resource Beneficiary, Inc.	Delaware
Delaware Resource Lessee Trust	Delaware
Delaware Resource Management, Inc.	Delaware
Design-Graphics, Inc.	Florida
Desilu Productions, Inc.	Delaware
Direct Court Productions, Inc.	Delaware
Doghouse Films Inc.	Canada (B.C.)
DT Productions Inc.	Canada (B.C.)

SUBSIDIARY NAME -----	PLACE OF INCORPORATION ----- OR ORGANIZATION -----
Dutchess Resource Management, Inc.	Delaware
Dynamic Soap, Inc.	California
Eagle Direct Inc.	Delaware
Eighth Century Corporation	Delaware
Elite Productions Inc.	Delaware
Energy Development Associates, Inc.	Delaware
Ensign Music Corporation	Delaware
EPI Music Company	California
Erica Film Productions, Inc.	California
Ersh, Inc.	New York
Evergreen Programs, Inc.	New York
EWB Corporation	Delaware
Family Entertainment Centers, Inc.	Florida
Famous Music Corporation	Delaware
Famous Music Publishing Germany GmbH & Co KG	Germany
Famous Music Publishing Limited	United Kingdom
Famous Orange Productions Inc.	Delaware
Famous Players Films Inc.	Canada (Federal)
Famous Players Inc.	Canada (Federal)
Famous Players International B.V.	Netherlands
Famous Players Investments B.V.	Netherlands
Festival Inc.	Delaware
Fifty-Sixth Century Antrim Iron Company, Inc.	Delaware
Film Intex Corporation	Delaware
Filmcraft Productions Inc.	Delaware
Films Paramount S.A.	France
First Hotel Investment Corporation	Delaware
First Westinghouse Capital Corporation	Delaware
FLC Holding Corp.	Florida
Focus Video Pty. Ltd.	Australia
Fortin Industries, Inc.	Delaware
Forty-Fourth Century Corporation	Delaware
Four Crowns, Inc.	Delaware
French Street Management Inc.	Delaware

SUBSIDIARY NAME -----	PLACE OF INCORPORATION ----- OR ORGANIZATION -----
Fried Worms Productions Inc.	Delaware
Front Street Management Inc.	Delaware
Future General Corporation	Delaware
G & W Leasing Company	Delaware
G & W Natural Resources Company, Inc.	Delaware
Games Animation Inc.	Delaware
Games Exchange Inc.	Delaware
Games Productions Inc.	Delaware
Gateway Fleet Company	Delaware
GC Productions Inc.	Delaware
Giraudy S.A.	France
Gladwin of Indiana, Inc.	Indiana
GLD Holdings L.L.C.	Delaware
Glendale Property Corp.	Delaware
Global Film Distributors B.V.	Netherlands
Glory Productions Inc.	Delaware
Gloucester Titanium Company, Inc.	Delaware
GNS Productions Inc.	Delaware
Go Mass Media Finance S.A.	France
Go Mass Media S.A.	France
Go Outdoor Systems Holdings S.A.	France
Golden Communications, Inc.	Michigan
Grace Productions LLC	Delaware
Grammar Productions Inc.	Delaware
Gramps Company, Inc., The	Delaware
Grand Bahama Petroleum Company Limited	Bahamas
Grande Alliance Co. Ltd.	Cayman Islands
Granite Productions, Inc.	California
Great American Entertainment Motion Pictures, Inc.	California
Great American Entertainment Television, Inc.	California
Green Tiger Press, Inc.	California
Group W Television Stations, Inc.	Delaware
GS Films Inc.	Canada (Ontario)
Gulf & Western do Brazil Industria e Comercio Limitada	Brazil

SUBSIDIARY NAME -----	PLACE OF INCORPORATION ----- OR ORGANIZATION -----
Gulf & Western Indonesia, Inc.	Delaware
Gulf & Western Intercontinental Investments N.V.	Netherlands Antilles
Gulf & Western International Finance N.V.	Switzerland
Gulf & Western International N.V.	Netherlands Antilles
Gulf & Western Limited	Bahamas
Gulf DTH Production	United Kingdom
Gulf DTH Services	United Kingdom
Hamilton Projects, Inc.	New York
Hardwood Productions Inc.	Canada (Ontario)
Harvester Press Limited, The	United Kingdom
Heartland Productions Inc.	Canada (Alberta)
Hemisphere Broadcasting Corporation	Delaware
HFM Productions Inc.	Canada (Ontario)
High Command Productions Limited	United Kingdom
Hit Radio, Inc.	New York
House of Yes Productions Inc.	Delaware
HZH Company	Delaware
Image Edit, Inc.	Delaware
Imagine Radio, Inc.	California
IMR Acquisition Corp.	Delaware
Independent Petrochemical Corporation	Ohio
INFCO Network Inc.	Delaware
Infinity Broadcasting Corporation	Delaware
Infinity Broadcasting Corporation of Atlanta	Delaware
Infinity Broadcasting Corporation of Baltimore	New York
Infinity Broadcasting Corporation of Boston	Delaware
Infinity Broadcasting Corporation of California	Delaware
Infinity Broadcasting Corporation of Chesapeake	Delaware
Infinity Broadcasting Corporation of Chicago	Delaware
Infinity Broadcasting Corporation of Dallas	Delaware
Infinity Broadcasting Corporation of Dallas II	Delaware
Infinity Broadcasting Corporation of Detroit	Delaware
Infinity Broadcasting Corporation of Florida	Delaware

SUBSIDIARY NAME -----	PLACE OF INCORPORATION ----- OR ORGANIZATION -----
Infinity Broadcasting Corporation of Ft. Worth	Delaware
Infinity Broadcasting Corporation of Georgia	Delaware
Infinity Broadcasting Corporation of Glendale	Delaware
Infinity Broadcasting Corporation of Illinois	Delaware
Infinity Broadcasting Corporation of Los Angeles	Delaware
Infinity Broadcasting Corporation of Maryland	Delaware
Infinity Broadcasting Corporation of Michigan	Delaware
Infinity Broadcasting Corporation of New York	Delaware
Infinity Broadcasting Corporation of Northern California	Delaware
Infinity Broadcasting Corporation of Pennsylvania	Pennsylvania
Infinity Broadcasting Corporation of Philadelphia	Delaware
Infinity Broadcasting Corporation of San Antonio	Texas
Infinity Broadcasting Corporation of San Francisco	Delaware
Infinity Broadcasting Corporation of Tampa	Delaware
Infinity Broadcasting Corporation of Texas	Delaware
Infinity Broadcasting Corporation of Washington	Delaware
Infinity Broadcasting Corporation of Washington, D.C.	Delaware
Infinity Holdings Corp. of Chesapeake	Delaware
Infinity Holdings Corp. of Ft. Worth	Delaware
Infinity Holdings Corp. of Georgia	Delaware
Infinity Holdings Corp. of Massachusetts	Delaware
Infinity Holdings Corp. of Orlando	Delaware
Infinity KFRC-FM, Inc.	Delaware
Infinity KOAI-FM Holdings Corporation	Delaware
Infinity KOAI-FM Licensee Corporation	Delaware
Infinity KOAI-FM, Inc.	Delaware
Infinity Media Corporation	Delaware
Infinity Network, Inc.	Delaware
Infinity of Chesapeake Licensee Corporation	Delaware
Infinity of Ft. Worth Licensee Corporation	Delaware
Infinity of Georgia Licensee Corporation	Delaware
Infinity Outdoor of Florida Holding Co.	Delaware
Infinity Outdoor of Florida, Inc.	Florida
Infinity Outdoor, Inc.	Delaware

SUBSIDIARY NAME -----	PLACE OF INCORPORATION ----- OR ORGANIZATION -----
Infinity Radio Holdings, Inc.	Virginia
Infinity Radio Inc.	Delaware
Infinity Radio License Inc.	Delaware
Infinity Radio of Austin Inc.	Delaware
Infinity Radio of Charlotte License Inc.	Virginia
Infinity Radio of Kansas City License Inc.	Virginia
Infinity Radio of North Carolina License Inc.	Virginia
Infinity Radio of Pittsburgh License Inc.	Virginia
Infinity Radio of Portland Inc.	Delaware
Infinity Radio of Sacramento License Inc.	Virginia
Infinity Radio of Seattle License Inc.	Virginia
Infinity Radio of St. Louis License Inc.	Virginia
Infinity Radio of Washington License Inc.	Virginia
Infinity Technical Services Inc.	Delaware
Infinity Ventures, Inc.	Delaware
Infinity WLIF, Inc.	Maryland
Infinity WLIF-AM, Inc.	Maryland
Infinity WOAZ-FM, Inc.	Massachusetts
Infinity WPGC (AM), Inc.	Delaware
Inside Edition Inc.	New York
International Overseas Film Services, Inc.	Delaware
International Overseas Productions, Inc.	California
International Raw Materials Limited	Bahamas
Interstitial Programs Inc.	Delaware
Irvine Games Inc.	Delaware
Irvine Games USA Inc.	Delaware
Jeopardy Productions Inc.	Canada (B.C.)
Jerry's Outdoor Advertising, Inc.	Florida
Jiffy Billboards, Inc.	Florida
Joseph Productions Inc.	Delaware
Justice Productions Inc.	Canada (Ontario)
K.W.M. Inc.	Delaware
Katled Systems Inc.	Delaware
Kilo Mining Corporation	Pennsylvania

SUBSIDIARY NAME -----	PLACE OF INCORPORATION ----- OR ORGANIZATION -----
King World Animation Inc.	California
King World Corporation	Delaware
King World Development Inc.	California
King World Direct Inc.	Delaware
King World FSC Corporation	Virgin Islands
King World Media Sales Inc.	Delaware
King World Merchandising, Inc.	Delaware
King World Productions, Inc.	Delaware
King World Studios West Inc.	California
King World/GSN Inc.	Delaware
King World/LR Inc.	California
Kings Island Company	Delaware
KSLQ, Inc.	Missouri
KTVT Broadcasting Company, L.P.	Texas
KUTV Holdings, Inc.	Delaware
KW Development Inc.	California
KWTS Productions Inc.	California
L23 Productions Inc.	Canada (Ontario)
Ladies Man Productions Inc.	Canada (Ontario)
Ladies Man Productions USA Inc.	Delaware
Large Ticket Songs Inc.	Delaware
Laurel Entertainment, Inc.	Delaware
LDI Limited	United Kingdom
Level Nine Productions Inc.	Canada (B.C.)
Levitt Property Managers, Inc.	California
List Productions Inc.	Canada (Ontario)
Lizarb B.V.	Netherlands
Long Road Productions	Illinois
Low Key Productions Inc.	Delaware
LS Productions Inc.	Canada (Ontario)
LT Holdings Inc.	Delaware
Maarten Investerings Partnership	New York
Made To Love Productions Inc.	Canada (Ontario)
Magic Hour Productions, Ltd.	Canada (B.C.)

SUBSIDIARY NAME -----	PLACE OF INCORPORATION ----- OR ORGANIZATION -----
Magical Motion Pictures Inc.	Delaware
Magicam, Inc.	Delaware
Major Video National Advertising Council Corporation	Nevada
Major Video Super Stores, Inc.	Nevada
Marathon Holdings Inc.	Delaware
Mars Film Produzione S.P.A.	Italy
Matlock Company, The	Delaware
Matt Houston Company, The	California
Mattalex Corporation	Delaware
Maxim Video Ltd.	United Kingdom
Maxmedia, Inc.	Florida
Mediacom Inc.	Canada
Melrose Productions Inc.	California
Merlot Film Productions, Inc.	California
Merritt Inc.	Delaware
Metro Poster Advertising Ltd.	Ireland
Metrobus Advertising Limited	United Kingdom
Michaela Productions Inc.	Delaware
Montgomery Acquisition, Inc.	Delaware
Movie Channel Production UK Ltd., The	United Kingdom
MTV Animation Inc.	Delaware
MTV Asia Development Company Inc.	Delaware
MTV Asia LDC	Cayman Islands
MTV Asia Ownership One LDC	Cayman Islands
MTV Asia Ownership Two LDC	Cayman Islands
MTV Asia Ventures Co.	Cayman Islands
MTV Australia Inc.	Delaware
MTV Europe	Delaware
MTV Hong Kong Limited	Hong Kong
MTV India Development Company Inc.	Delaware
MTV India LDC	Cayman Islands
MTV India Private Limited	India
MTV Networks AB	Sweden
MTV Networks B.V.	Netherlands

SUBSIDIARY NAME -----	PLACE OF INCORPORATION ----- OR ORGANIZATION -----
MTV Networks Company	Delaware
MTV Networks de Mexico S. de R.L. de C.V.	Mexico
MTV Networks Enterprises Inc.	Delaware
MTV Networks Europe Inc.	Delaware
MTV Networks Global Services Inc.	Delaware
MTV Networks GmbH	Germany
MTV Networks Latin America Inc.	Delaware
MTV Networks SARL	France
MTV Networks Shopping Inc.	Delaware
MTV Networks South Africa Inc.	Delaware
MTV Networks Srl	Italy
MTV Russia Holdings Inc.	Delaware
MTV SA LDC	Cayman Islands
MTV Songs Inc.	Delaware
MTV Taiwan LDC	Cayman Islands
MTVBVI Inc.	Delaware
MTVi Group, Inc., The	Delaware
MTVi Group, L.P., The	Delaware
MTVN Online Inc.	Delaware
MTVN Online Partner I Inc.	Delaware
MTVN Online Partner I LLC	Delaware
MTVN Shopping Inc.	Delaware
Multi Mineral Corporation	Texas
Music By Nickelodeon Inc.	Delaware
Music By Video Inc.	Delaware
N.V. Alrecon	Netherlands
Naked City Productions Inc.	Canada (Ontario)
National Advertising Company	Delaware
Nepco (Florida), Inc.	Florida
Nepco Energy Corporation	New York
Nepco Exploration (U.K.) Limited	United Kingdom
Nepco Petroleum Limited	Canada
Network Enterprises, Inc.	Tennessee
Network Talent, LLC	Tennessee

SUBSIDIARY NAME -----	PLACE OF INCORPORATION ----- OR ORGANIZATION -----
Networks Media Services Ltd.	United Kingdom
Neutronium Inc..	Delaware
New CORAL Ltd.	Cayman Islands
New England Petroleum Corporation	New York
New Jersey Zinc Exploration Company, The	Delaware
New Leaf Entertainment Corporation	Delaware
New Providence Assurance Company Limited	Bahamas
New York Subways Advertising Co., Inc.	Arizona
Newdon Productions	Illinois
Nick At Nite's TV Land Retromercials Inc.	Delaware
Nickelodeon Verwaltung GmbH	Germany
Nickelodeon Animation Studios Inc.	Delaware
Nickelodeon Australia Inc.	Delaware
Nickelodeon Brasil Inc.	Delaware
Nickelodeon Direct Inc.	Delaware
Nickelodeon Global Network Ventures Inc.	Delaware
Nickelodeon Huggings U.K. Limited	United Kingdom
Nickelodeon India Corporation	Delaware
Nickelodeon International Ltd.	United Kingdom
Nickelodeon Magazines Inc.	Delaware
Nickelodeon Movies Inc.	Delaware
Nickelodeon Online Inc.	Delaware
Nicki Film Productions, Inc.	California
Night Falls Productions Inc.	Delaware
North Shore Productions Inc.	California
NTA Films, Inc.	New York
NTA, Inc.	New York
Number One FSC Ltd.	US Virgin Islands
NV Broadcasting (Canada), Inc.	Canada
NV International, Inc.	Georgia
O & W Corporation	Tennessee
O Good Songs Company	California

SUBSIDIARY NAME -----	PLACE OF INCORPORATION ----- OR ORGANIZATION -----
O'Connor Combustor Corporation	California
Oil Company, The	Delaware
OM/TV Productions Inc.	Delaware
One and Only Joint Venture, The	New York
OS Bus, Inc.	Georgia
OS Florida, Inc.	Florida
OSI Sports Marketing, Inc.	Delaware
OSI Tall Wall Media, LLC	California
Oswego Barge Corporation	Delaware
Our Home Productions Inc.	Delaware
Outatown Productions Inc.	Delaware
Outdoor Communications, Inc.	Florida
Outdoor Entertainment, Inc.	Tennessee
Outdoor Images Limited	United Kingdom
Outdoor Management Network, Inc.	California
Outdoor Systems (New York), Inc.	New York
Outdoor Systems Electrical Corp.	New York
Outdoor Systems Mexido, S.A. de C.V.	Mexico
Outdoor Systems, Inc.	Delaware
Overseas Services B.V.	Netherlands
Paramount (PDI) Distribution Inc.	Delaware
Paramount Advertiser Services Inc.	Delaware
Paramount Asia Inc.	Delaware
Paramount British Pictures Limited	United Kingdom
Paramount Canadian Productions, Inc.	Delaware
Paramount Channel Partnership, The	United Kingdom
Paramount Communications Technology Group Inc.	Delaware
Paramount Digital Entertainment Inc.	Delaware
Paramount Film Production (Deutschland) GmbH	Germany
Paramount Film Services Ltd.	United Kingdom
Paramount Films B.V.	Netherlands
Paramount Films of Australia Inc.	Delaware
Paramount Films of China, Inc.	Delaware
Paramount Films of Egypt, Inc.	Delaware

SUBSIDIARY NAME -----	PLACE OF INCORPORATION ----- OR ORGANIZATION -----
Paramount Films of India, Ltd.	Delaware
Paramount Films of Italy, Inc.	New York
Paramount Films of Lebanon, Inc.	New York
Paramount Films of Pakistan Ltd.	New York
Paramount Films of Southeast Asia Inc.	Delaware
Paramount General Entertainment Australia Inc.	Delaware
Paramount Home Entertainment (Denmark) IS	Denmark
Paramount Home Entertainment (France) SAS	France
Paramount Home Entertainment (Germany) GmbH	Germany
Paramount Home Entertainment (New Zealand) Limited	New Zealand
Paramount Home Entertainment (Norway) ANS	Norway
Paramount Home Entertainment (Scandinavia) AB	Sweden
Paramount Home Entertainment (Spain) SL	Spain
Paramount Home Entertainment (UK)	United Kingdom
Paramount Home Entertainment Australia Pty Ltd.	Australia
Paramount Home Entertainment B.V.	Netherlands
Paramount Home Entertainment Inc.	Delaware
Paramount Home Entertainment International (Holdings) B.V.	Netherlands
Paramount Home Entertainment International B.V.	Netherlands
Paramount Home Entertainment International Limited	United Kingdom
Paramount Images Inc.	Delaware
Paramount International Netherlands B.V.	Netherlands
Paramount LAPT V Inc.	Delaware
Paramount Music Corporation	Delaware
Paramount Overseas Productions, Inc.	Delaware
Paramount Parks Experience Inc.	Nevada
Paramount Parks Inc.	Delaware
Paramount Parks International B.V.	Netherlands
Paramount Pay TV Limited	United Kingdom
Paramount Pictures (Australia) Pty. Limited	Australia
Paramount Pictures (Canada) Inc.	Canada (Ontario)
Paramount Pictures (U.K.) Limited.	United Kingdom
Paramount Pictures Corporation	Delaware
Paramount Pictures Corporation (Canada) Inc.	Canada (Ontario)

SUBSIDIARY NAME -----	PLACE OF INCORPORATION ----- OR ORGANIZATION -----
Paramount Production Support Inc.	Delaware
Paramount Productions Service Corporation	Delaware
Paramount Productions, Inc.	Canada (Ontario)
Paramount Show Services International LDC	Cayman Islands
Paramount Stations Group Inc.	Virginia
Paramount Stations Group of Fort Worth/Dallas Inc.	Virginia
Paramount Stations Group of Houston Inc.	Virginia
Paramount Stations Group of Miami Inc.	Delaware
Paramount Stations Group of Oklahoma City LLC	Delaware
Paramount Stations Group of Philadelphia Inc.	Delaware
Paramount Stations Group of Pittsburgh Inc.	Delaware
Paramount Stations Group of Washington Inc.	Virginia
Paramount Stations Group of Wichita Inc.	Delaware
Paramount Television International Services, Ltd.	Bermuda
Paramount Television Limited	United Kingdom
Paramount Television Service, Inc.	Delaware
Paramount Worldwide Productions Inc.	Delaware
Para-Sac Music Corporation	Delaware
Park Court Productions, Inc.	Delaware
Part-Time Productions Inc.	Delaware
PCCGW Company, Inc.	Delaware
PCI Canada Inc.	Delaware
PCI Network Partner II Inc.	Delaware
PCI Network Partner Inc.	Delaware
Peak FSC, Ltd.	Bermuda
Peppercorn Productions, Inc.	Tennessee
Permutation Productions Inc.	Delaware
Pet II Productions Inc.	Delaware
PMV Productions Inc.	Delaware
Pocket Books of Canada, Ltd.	Canada (Federal)
Possum Point Incorporated	Delaware
PPC Film Management GmbH	Germany
Premiere House, Inc.	Delaware
Prentice-Hall International (U.K.) Ltd.	United Kingdom

SUBSIDIARY NAME -----	PLACE OF INCORPORATION ----- OR ORGANIZATION -----
Preye, Inc.	California
Prospect Company Ltd.	Cayman Islands
Proxy Music Corporation	California
PSG of PHA Inc.	Virginia
PT Productions Inc.	Delaware
Publishing FSC Ltd.	US Virgin Islands
Quebec Oil Refinery, Ltd.	Canada
Quemahoning Coal Processing Company	Pennsylvania
R.G.L. Realty Limited	United Kingdom
Radio Systems of Philadelphia, Inc.	Pennsylvania
Raianna Productions Inc.	Canada (Federal)
Rat Race USA Inc.	Delaware
Raven Media LLC	Delaware
Real TV Music Inc.	Delaware
Reality Check Productions Inc.	Delaware
Remote Productions Inc.	Delaware
Republic Distribution Corporation	Delaware
Republic Entertainment Inc.	Delaware
Republic Pictures Corporation of Canada, Ltd.	Canada
Republic Pictures Enterprises, Inc.	Delaware
Republic Pictures Netherlands Antilles N.V.	Netherlands Antilles
Republic Pictures Productions, Inc.	California
RH Productions Inc.	California
Ripple Vale Holdings, Limited	US Virgin Islands
Ritz Video Film Hire Ltd.	United Kingdom
ROA Media Corp.	Florida
Roadshow Advertising Ltd.	Ireland
Rocks, Inc.	Delaware
Rocky Mount Town Associates Limited Partnership	Delaware
RR Films Inc.	Canada (Alberta)
RTV News Inc.	Delaware
RTV News Music Inc.	Delaware
RWS Productions Inc.	Canada (B.C.)
Sagittarius Broadcasting Corporation	New York

SUBSIDIARY NAME -----	PLACE OF INCORPORATION ----- OR ORGANIZATION -----
Salm Enterprises, Inc.	California
San Francisco Broadcasters, Inc.	California
San Francisco Walls, Inc.	California
San Juan Resource Management, Inc.	Delaware
Satellite Holdings Inc.	Delaware
Saucon Valley Iron and Railroad Company, The	Pennsylvania
Scarab Publishing Corporation	Delaware
Scott Mattson Farms, Inc.	Florida
SDI Raven LLC	Delaware
Season Four Sentinel Productions Inc.	Canada (B.C.)
Season Three Seven Days Productions Inc.	Canada (B.C.)
Season Three Viper Productions Inc.	Canada (B.C.)
Season Two Seven Days Productions Inc.	Canada (B.C.)
Season Two Soul Food Productions Inc.	Canada (Ontario)
SEG Equity Holdings, Inc.	Delaware
Sentinel Productions Inc.	Canada (B.C.)
Servicios Administrativos America, S.A. de C.V.	Mexico
Seven-Up Bottling Co. of Visalia	California
SF Films Inc.	Canada (Ontario)
SFI Song Company	Delaware
Sher Ventures, Inc.	New York
Ship House, Inc.	Florida
Show Works Productions Inc.	Delaware
Showtime Networks Inc.	Delaware
Showtime Networks Inc. (U.K.)	Delaware
Showtime Networks Middle East Inc.	Delaware
Showtime Networks Satellite Programming Company	California
Showtime Online Inc.	Delaware
Showtime Satellite Networks Inc.	Delaware
Showtime/Sundance Holding Company Inc.	Delaware
SIFO One Inc.	Delaware
SIFO Two Inc.	Delaware
Simon & Schuster (Australia) Pty. Limited	Australia
Simon & Schuster (U.K.) Limited	United Kingdom

SUBSIDIARY NAME -----	PLACE OF INCORPORATION ----- OR ORGANIZATION -----
Simon & Schuster Global Services Inc.	Delaware
Simon & Schuster International Inc.	Delaware
Simon & Schuster Japan K.K.	Japan
Simon & Schuster Limited	United Kingdom
Simon & Schuster of Canada (1976) Ltd.	Canada (Federal)
Simon & Schuster, Inc.	New York
Sirens Productions Inc.	Canada (Ontario)
SJ Films Inc.	Canada (Ontario)
Sky Blue Investments, Limited	Jersey
SNI Development Corp.	Delaware
Snow Day Productions Inc.	Canada (Alberta)
SOAF Films Inc.	Canada (Ontario)
Soapmusic Company	Delaware
Solar Service Company	Delaware
SonicNet L.L.C.	Delaware
Southeastern Home Video, Inc.	Delaware
Spark Network Services, Inc.	Delaware
Spelling Daytime Songs Inc.	Delaware
Spelling Daytime Television Inc.	Delaware
Spelling Entertainment Group Inc.	Delaware
Spelling Entertainment Inc.	Delaware
Spelling Films Inc.	Delaware
Spelling Films Music Inc.	Delaware
Spelling Pictures Inc.	Delaware
Spelling Satellite Networks, Inc.	California
Spelling Television (Canada) Inc.	Canada (B.C.)
Spelling Television Inc.	Delaware
Spelling Television Quebec Inc.	Canada (Federal)
Spider Films Inc.	Canada (B.C.)
Sport Pages Productions Inc.	Canada (B.C.)
Spy Productions Inc.	Canada (Ontario)
St. Francis Ltd.	Cayman Islands
St. Ives Company Ltd.	Cayman Islands
St. Johns Realty Investors	Massachusetts

SUBSIDIARY NAME -----	PLACE OF INCORPORATION ----- OR ORGANIZATION -----
Starfish Productions Inc.	Florida
Stargate Acquisition Corp.	Delaware
State of Mind Inc.	Delaware
Station Holdings B, Inc.	Delaware
Stranglehold Productions, Inc.	California
Streak Productions Inc.	Canada (Ontario)
Sudbury (Joint Venture)	Canada (Federal)
Sunn Classic Pictures, Inc.	Utah
Sunset Beach Productions, Inc.	Delaware
Superstar Productions Inc.	Canada (Ontario)
Superstar Productions USA Inc.	Delaware
Sweetwater Productions Inc.	Canada (B.C.)
T & R Payroll Company	Delaware
T.V. Factory, Inc., The	New York
Talent Court Productions, Inc.	Delaware
Taylor Forge Memphis, Inc.	Delaware
TC Productions Inc.	Delaware
TDI (BP) Limited	United Kingdom
TDI (FB) Limited	United Kingdom
TDI Advertising Limited	United Kingdom
TDI Buses Limited	United Kingdom
TDI France Holding SAS	France
TDI Holdings Limited	United Kingdom
TDI Holland B.V.	Netherlands
TDI International, Inc.	Delaware
TDI Mail Holdings Limited	Northern Ireland
TDI Metro (NI) Limited	Northern Ireland
TDI Metro, Ltd.	Ireland
TDI Transit Advertising Limited	United Kingdom
TDI Worldwide, Inc.	Delaware
Tele-Vu Ltee.	Canada (Federal)
They Productions Inc.	Delaware
Things of the Wild Songs Inc.	Delaware
Thinner Productions, Inc.	Delaware

SUBSIDIARY NAME -----	PLACE OF INCORPORATION ----- OR ORGANIZATION -----
Third Century Company	Delaware
Thirteenth Century Corporation	Delaware
Thirtieth Century Corporation	Delaware
Three Productions Inc.	Canada (B.C.)
Thunder, Inc.	Delaware
Timber Purchase Company	Florida
Times Square Displays, LLC	New York
Titus Productions, Inc.	California
TMI International B.V.	Netherlands
TMRG, Inc.	Delaware
TNN Classic Sessions, Inc.	Delaware
TNN Productions, Inc.	Delaware
Toe-To-Toe Productions Inc.	Delaware
Topper Productions, Inc.	California
Torand Payroll Company	Delaware
Torand Productions Inc.	Delaware
Total Warehouse Services Corporation	Delaware
Trans-American Resources, Inc.	Delaware
Transportation Displays Incorporated	Delaware
Tredegars Home Entertainment Limited	United Kingdom
TRF III Entertainment, Inc.	Delaware
Triohurst Limited.	United Kingdom
True Productions Inc.	Canada (B.C.)
TS Video, Inc.	Louisiana
TSM Services Inc.	Delaware
Tube Mill, Inc.	Alabama
Tunes By Nickelodeon Inc.	Delaware
TV Scoop Inc.	Delaware
Two of Us Films Inc.	Canada (Ontario)
Two Productions, Inc.	Delaware
UCGI, Inc.	Delaware
UI Video Stores, Inc.	Colorado
United Paramount Network (UPN)	Delaware
Universal American Corporation	Delaware

SUBSIDIARY NAME	PLACE OF INCORPORATION OR ORGANIZATION
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Uptown Productions Inc.	Delaware
Uro, S.A.	Spain
Valdez Oil Inc.	Delaware
VE Development Company	Delaware
VE Drive Inc.	Delaware
VE Television Inc.	Delaware
VH-1 Television GmbH & Co OHG	Germany
VH-1 Television Verwaltung GmbH	Germany
VHONE Inc.	Delaware
VI Services Corporation	Delaware
VIA Aircraft Management Inc.	Delaware
Viacom (Deutschland) Beteiligungen GmbH	Germany
Viacom A.G.	Switzerland
Viacom Animation of Korea Inc.	Delaware
Viacom Asia Inc.	Delaware
Viacom Brasil Holdings Limitada	Brazil
Viacom Broadcasting of Seattle Inc.	Delaware
Viacom Broadcasting West Inc.	Delaware
Viacom Camden Lock Inc.	Delaware
Viacom Canada Limited	Canada (Federal)
Viacom Canadian Productions Inc.	Canada (Ontario)
Viacom Consumer Products Inc.	Delaware
Viacom Consumer Products Ltd.	United Kingdom
Viacom Corporate Services Inc.	Delaware
Viacom DBS Inc.	Delaware
Viacom Enterprises Canada Ltd.	Canada (Federal)
Viacom Entertainment Canada Inc.	Canada (Ontario)
Viacom Executive Services Corporation	Delaware
Viacom Film Funding Company Inc.	Delaware
Viacom Finanz AG	Switzerland
Viacom First Run Development Company Inc.	Delaware
Viacom First Run Limited	Delaware
Viacom Global Services Inc.	Delaware
Viacom Group Finance Limited	United Kingdom

SUBSIDIARY NAME	PLACE OF INCORPORATION OR ORGANIZATION
- - - - -	- - - - -
Viacom HA! Holding Company	Delaware
Viacom Holdings (Germany) B.V.	Germany
Viacom Holdings (Germany) II B.V.	Germany
Viacom IDA Inc.	Delaware
Viacom International (Netherlands) B.V.	Netherlands
Viacom International Canada Ltd.	Canada (Ontario)
Viacom International Holdings B.V.	Netherlands
Viacom International Inc.	Delaware
Viacom International Inc. Political Action Committee Corporation	New York
Viacom International Limited	United Kingdom
Viacom International Pty. Limited	Australia
Viacom Internet Services Inc.	Delaware
Viacom IRB Acquisition Inc.	Delaware
Viacom Japan Inc.	New York
Viacom K-Band Inc.	Delaware
Viacom Limited	New Zealand
Viacom Middle East Holdings VOF	Netherlands Antilles
Viacom Networks Europe Inc.	Delaware
Viacom Networks Europe Ltd.	Netherlands
Viacom Networks Inc.	New York
Viacom Networks UK Limited	United Kingdom
Viacom Phoenix Inc.	Delaware
Viacom Pictures Development Company	Delaware
Viacom Pictures Inc.	Delaware
Viacom Pictures Movie Music Inc.	Delaware
Viacom Pictures Overseas Inc.	Delaware
Viacom Pictures Songs Inc.	Delaware
Viacom PNW Sports Inc.	Delaware
Viacom Productions Inc.	Delaware
Viacom Properties Inc.	Delaware
Viacom Realty Corporation	Delaware
Viacom Receivables Funding I Corporation	Delaware
Viacom Receivables Funding II Corporation	Delaware
Viacom Retail Stores, Inc.	Delaware

SUBSIDIARY NAME -----	PLACE OF INCORPORATION ----- OR ORGANIZATION -----
Viacom Satellite News Inc.	Delaware
Viacom Services Inc.	Delaware
Viacom Shopping Inc.	Delaware
Viacom Telecommunications (D.C.) Inc.	Delaware
Viacom UK Limited	United Kingdom
Viacom VHENO GmbH	Germany
Viacom Video-Audio Comunicacoes Limitada	Brazil
Viacom VOF	Netherlands Antilles
Viacom World Wide Ltd.	New York
Via-Sac Music Inc.	Delaware
Viasem Brasil Holdings Limitada	Brazil
Video Club (G.B.) Limited	United Kingdom
Video Store (Jersey) Limited	Channel Islands
Viper Productions Inc.	Canada (B.C.)
VISI Services Inc.	Delaware
Vision Productions, Inc.	New York
VJK Inc.	Delaware
VNM Inc.	Delaware
VP Direct Inc.	Delaware
VP Programs Inc.	California
VSC Communications Inc.	Delaware
VSC Compositions Inc.	New York
VSC Music Inc.	New York
Washington Outdoor Advertising, Inc.	Washington
Washington Transit Advertising, Inc.	Washington
Waste Resource Energy, Inc.	Delaware
WBCE Corporation	New York
WCC FSC I, Inc.	Delaware
WCC FSC III, Inc.	Virgin Islands
WCC FSC IX, Inc.	Virgin Islands
WCC FSC V, Inc.	Bermuda
WCC FSC VIII, Inc.	Virgin Islands
Wcc Project Corp.	Delaware
Wcc Soledad I, Inc.	Delaware

SUBSIDIARY NAME -----	PLACE OF INCORPORATION ----- OR ORGANIZATION -----
Wcc Soledad II, Inc.	Delaware
Western Row Properties, Inc.	Ohio
Westinghouse (New Zealand) Ltd.	New Zealand
Westinghouse Beverage Group	Delaware
Westinghouse Canada Holdings L.L.C.	Delaware
Westinghouse CBS Holding Company, Inc.	Delaware
Westinghouse Electric Corporation	Delaware
Westinghouse Electric GmbH, Birsfelden	Switzerland
Westinghouse Environmental Management Company of Ohio, Inc.	Delaware
Westinghouse Foreign Sales Corporation	Barbados
Westinghouse Hanford Company	Delaware
Westinghouse Holdings Corporation	Delaware
Westinghouse Idaho Nuclear Company, Inc.	Delaware
Westinghouse Investment Corporation	Delaware
Westinghouse Irish Holdings, Limited	Ireland
Westinghouse Licensing Corporation	Pennsylvania
Westinghouse LMG, Inc.	Delaware
Westinghouse Pictures, Inc.	Delaware
Westinghouse Reinvestment Company L.L.C.	Delaware
Westinghouse Wireless Communications Products, SRL de CV	Mexico
Westinghouse World Investment Corporation	Delaware
Westside Amphitheater Corporation, The	Arizona
W-F Productions, Inc.	Delaware
Wheatsheaf Books Limited	United Kingdom
Wilshire Court Productions, Inc.	Delaware
Wilshire Entertainment Inc.	Delaware
Wilshire/Hauser Company	Delaware
Wilson Century Theatres Limited	Canada (Ontario)
Wilson-Curtis, Inc.	Missouri
WL Films Inc.	Canada (Ontario)
WMJX, Inc.	Florida
Woburn Insurance Ltd.	Bermuda
Woodhead-Faulkner (Publishers) Limited	United Kingdom
World Entertainment Corp.	New York

SUBSIDIARY NAME -----	PLACE OF INCORPORATION ----- OR ORGANIZATION -----
World Sports Enterprises	Tennessee
World Volleyball League, Inc.	New York
Worldvision Enterprises (France) S.A.R.L.	France
Worldvision Enterprises (United Kingdom), Ltd.	New York
Worldvision Enterprises de Venezuela	Venezuela
Worldvision Enterprises Latino-Americana, S.A.	Panama
Worldvision Enterprises of Australia, Pty., Ltd.	Australia
Worldvision Enterprises of Canada, Limited	New York
Worldvision Enterprises, GmbH	Germany
Worldvision Enterprises, Inc.	New York
Worldvision Filmes do Brasil, Ltda.	Brazil
Worldvision Foreign Sales Corporation	Virgin Islands
Worldvision Home Video, Inc.	New York
Worldwide Productions, Inc.	Delaware
WPIC Corporation	Delaware
WT Animal Music Inc.	Delaware
WT Productions Inc.	Delaware
WV Productions, Inc.	Delaware
WVIT Inc.	Delaware
Xtra-Vision Ltd.	Ireland
Yellams LDC	Cayman Islands
York Resource Energy Systems, Inc.	Delaware
Young Reader's Press, Inc.	Delaware
YP Productions Inc.	Canada (Ontario)

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 (No. 333-52728) of Viacom Inc. and in the Registration Statements on Form S-8 (No. 333-42987, No. 333-34125, No. 33-41934, No. 33-56088, No. 33-59049, No. 33-59141, No. 33-55173, No. 33-55709, No. 33-60943, No. 333-36440, No. 333-88613 and No. 333-55346) of Viacom Inc. of our report dated February 12, 2001, except for the first paragraph of Note 2, which is as of February 21, 2001, included in Item 8 of this Form 10-K.

PricewaterhouseCoopers LLP
New York, New York
March 28, 2001

VIACOM INC.

Power of Attorney

KNOW ALL MEN BY THESE PRESENTS that the undersigned director of VIACOM INC., a Delaware corporation (the "Company"), hereby constitutes and appoints each of Michael D. Fricklas and Mark C. Morril, severally and not jointly, to be his true lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000 (and any amendments thereto); granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully for all intents and purposes as he might or could do in person hereby ratifying and confirming all that the said attorney-in-fact and agent, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto signed my name this 21st day of March, 2001.

/s/ George S. Abrams

George S. Abrams

VIACOM INC.

Power of Attorney

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IN WITNESS WHEREOF, I have hereunto signed my name this 21st day of March, 2001.

/s/ David R. Andelman

David R. Andelman

VIACOM INC.

Power of Attorney

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IN WITNESS WHEREOF, I have hereunto signed my name this 21st day of March, 2001.

/s/ George H. Conrades

George H. Conrades

VIACOM INC.

Power of Attorney

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IN WITNESS WHEREOF, I have hereunto signed my name this 21st day of March, 2001.

/s/ Philippe P. Dauman

Philippe P. Dauman

VIACOM INC.

Power of Attorney

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IN WITNESS WHEREOF, I have hereunto signed my name this 21st day of March, 2001.

/s/ William H. Gray III

William H. Gray III

VIACOM INC.

Power of Attorney

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IN WITNESS WHEREOF, I have hereunto signed my name this 21st day of March, 2001.

/s/ Jan Leschly

Jan Leschly

VIACOM INC.

Power of Attorney

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IN WITNESS WHEREOF, I have hereunto signed my name this 21st day of March, 2001.

/s/ David T. McLaughlin

David T. McLaughlin

VIACOM INC.

Power of Attorney

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IN WITNESS WHEREOF, I have hereunto signed my name this 21st day of March, 2001.

/s/ Ken Miller

Ken Miller

VIACOM INC.

Power of Attorney

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IN WITNESS WHEREOF, I have hereunto signed my name this 21st day of March, 2001.

/s/ Leslie Moonves

Leslie Moonves

VIACOM INC.

Power of Attorney

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IN WITNESS WHEREOF, I have hereunto signed my name this 21st day of March, 2001.

/s/ Brent D. Redstone

Brent D. Redstone

VIACOM INC.

Power of Attorney

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IN WITNESS WHEREOF, I have hereunto signed my name this 21st day of March, 2001.

/s/ Shari Redstone

Shari Redstone

VIACOM INC.

Power of Attorney

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IN WITNESS WHEREOF, I have hereunto signed my name this 21st day of March, 2001.

/s/ Frederic V. Salerno

Frederic V. Salerno

VIACOM INC.

Power of Attorney

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IN WITNESS WHEREOF, I have hereunto signed my name this 21st day of March, 2001.

/s/ William Schwartz

William Schwartz

VIACOM INC.

Power of Attorney

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IN WITNESS WHEREOF, I have hereunto signed my name this 21st day of March, 2001.

/s/ Ivan Seidenberg

Ivan Seidenberg

VIACOM INC.

Power of Attorney

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IN WITNESS WHEREOF, I have hereunto signed my name this 21st day of March, 2001.

/s/ Patty Stonesifer

Patty Stonesifer

VIACOM INC.

Power of Attorney

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IN WITNESS WHEREOF, I have hereunto signed my name this 21st day of March, 2001.

/s/ Robert D. Walter

Robert D. Walter