

Viacom International Media Networks to Acquire Channel 5 Broadcasting for £450 Million

- Deal will Improve Content Offering for UK Viewers Across Channel 5 and Viacom Networks
- Combination with UK's Largest Privately Owned Public Service Broadcaster to Enhance Distribution Opportunities for Viacom Content
- Acquisition Builds on Viacom's Long Track Record of Successful Investment in the UK

LONDON & NEW YORK--(BUSINESS WIRE)-- Viacom Inc. (Nasdaq: VIAB, VIA) and Northern & Shell Media Group today announced a definitive agreement for the acquisition of Channel 5 Broadcasting Limited by Viacom International Media Networks (VIMN) for £450 million (approximately \$757 million).

The transaction brings Viacom one of British television's biggest brands, and the only commercial public service broadcaster to consistently grow viewership share in recent years. Channel 5's diverse programming slate is viewed by more than 80% of the UK population each month, benefits from the programming grid prominence associated with its public service broadcaster status, and will complement Viacom's popular pay TV networks, which connect with focused and valuable audiences.

"The acquisition of Channel 5 accelerates Viacom's strategy in the UK, one of the world's most important and valuable media markets," said Viacom President and CEO Philippe Dauman. "Channel 5's momentum is indisputable, with impactful programming, increasing popularity and a growing digital platform. Channel 5's management and employees have done an outstanding job building their brand and we are pleased to welcome them to our team. Viacom's global resources, technology and expertise will help Channel 5 develop even more compelling programming and provide content to consumers in exciting new ways. In addition, we will introduce our popular content to new UK audiences and create a comprehensive offering for our commercial partners on-air and on-line.

"This deal will dramatically increase Viacom's investment in content produced in the UK, which has a widely admired public service broadcasting culture and a globally influential production sector. We look forward to partnering with local producers to introduce more UK-created content to global audiences, and will continue to explore opportunities in the UK, both in the free-to-air and pay television markets."

Paul Dunthorne, Chief Operating Officer of Channel 5, said, "Since Northern & Shell's acquisition of Channel 5 in 2010, the financial and operating performance of the business has been transformed with improved audiences and content offering. The combination of Channel 5 with Viacom's global resources, technology and expertise adds further to the momentum of the business and offers numerous exciting opportunities for the channel's future."

The acquisition of Channel 5 builds on Viacom's long and successful track record of investment in the UK. The company launched MTV in the market in 1987, followed by Nickelodeon in 1993 and Comedy Central in 1995, growing to more than 20 branded TV networks currently on air, including BET, VIVA and VH1. Viacom's continued growth resulted in it being the most successful international supplier of pay TV channels to the UK market in 2013. MTV enjoyed its highest ratings in eight years in 2013, while Nickelodeon and Comedy Central were also among the top networks for their target demographics.

Under the terms of the agreement, Viacom will acquire all brands and assets of Channel 5 Limited, including:

- **Channel 5** launched as the UK's fifth public service broadcaster in March 1997. Over 42 million UK viewers watch Channel 5 in any given month tuning in to programming as diverse as The Gadget Show, Big Brother, Home and Away, Neighbours, Under the Dome, Ice Road Truckers, the CSI franchise, 5 News and the award winning children's strand, Milkshake!
- **5*** launched as Five Life in October 2006, becoming FIVER in April 2008 and 5* in March 2011. The channel attracts a growing audience of younger viewers with a targeted mix of films, and acquired and original programming.
- **5USA** launched in October 2006 and is the 11th highest rating multichannel in the UK during prime time. The network showcases American programming including CSI, CSI New York, CSI Miami, Person of Interest, NCIS, The Mentalist and films.
- **Milkshake!** is one of the commercial brand leaders for pre-school children's programming in the UK, broadcasting a morning block throughout the week that features many of the world's favorite pre-school characters, including Peppa Pig, Bert and Ernie, Noddy and others. The Milkshake! website is a popular destination for kids, and the brand has a strong track record of producing live children's entertainment events in the UK.
- **Demand 5** is Channel 5's video-on-demand service, which is offered on more viewing platforms than any other commercial broadcaster in the UK, and delivered over 23 million views in January 2014.

The purchase price of the acquisition will be financed by Viacom's existing cash balances and the transaction is expected to be

accretive immediately after closing. The transaction is subject to customary regulatory approvals.

About Viacom International Media Networks

Viacom International Media Networks (VIMN), a unit of Viacom Inc. (NASDAQ: VIA, VIAB), is comprised of many of the world's most popular multimedia entertainment brands, including MTV, Nickelodeon, Comedy Central, BET, Paramount Channel, VH1, VIVA, COLORS, Game One and Tr3s: MTV, Música y Más. Viacom brands are seen globally in more than 600 million households in 170 territories and 37 languages via more than 200 locally programmed and operated TV channels and more than 550 digital media and mobile TV properties. For more information about Viacom and its businesses, visit www.viacom.com. Keep up with Viacom news by following Viacom's blog at blog.viacom.com and Twitter feed at www.twitter.com/Viacom.

About Channel 5

Channel 5 launched as Britain's fifth public service broadcaster in March 1997 and was bought by Northern & Shell in July 2010. It currently attracts well over 42 million viewers a month. It delivers programmes that combine creative flair and popular appeal, and continues to bring viewers a mix of smart new shows that sit alongside popular long running series such as Ben Fogle's Animal Clinic, Killers Behind Bars, and The Hotel Inspector. Big Brother and Celebrity Big Brother are well established in the schedule with entertainment at their core. They sit alongside ratings stalwarts like Eddie Stobart: Trucks and Trailers and The Hotel Inspector. Channel 5 acquires the best of international drama including Wentworth Prison, Under the Dome, Person of Interest, and The Mentalist, as well as Aussie soaps Neighbours and Home and Away. For sports fans, Channel 5 is the free-to-air home of all England Cricket domestic summer Internationals and regular title boxing. Channel 5 News delivers the news and debates the main topics of the day. The channel is committed to children's programming with their award winning strand Milkshake!. Sister channels 5* and 5USA compliment Channel 5 with a mix of must see entertainment and US Drama including American Idol and the CSI franchise. Demand 5 is a free service to catch up with the latest programmes on Channel 5, 5USA and 5* available to watch whenever you want together with an archive of classic shows. It is available across platforms and devices including Virgin Media, BT Vision, Xbox1, iOS, You View, Sky On Demand, Android, Freesat, PS4, and Roku. For all the latest about Channel 5, follow us on twitter.com @channel5press and @channel5_tv.

About Northern & Shell

Northern & Shell Media Group is present in several major areas of consumer publishing and has a diverse portfolio of interests across print, television, new media, distribution, investment and property. The portfolio includes four UK national newspaper titles - the Daily Express, Sunday Express, Daily Star and Daily Star Sunday, celebrity magazines OK!, new! and Star, and the Health Lottery. It is also a 50% joint venture partner in the Irish Daily Star.

About Viacom

Viacom is home to premier global media brands that create compelling television programs, motion pictures, short-form video, apps, games, consumer products, social media and other entertainment content for audiences in more than 160 countries and territories. Viacom's media networks, including MTV, VH1, CMT, Logo, BET, CENTRIC, Nickelodeon, Nick Jr., TeenNick, Nicktoons, Nick at Nite, Comedy Central, TV Land, SPIKE, Tr3s, Paramount Channel and VIVA, reach approximately 700 million households worldwide. Paramount Pictures, America's oldest film studio, is a major global producer and distributor of filmed entertainment.

For more information about Viacom and its businesses, visit www.viacom.com. Keep up with Viacom news by following Viacom's blog at blog.viacom.com and Twitter feed at www.twitter.com/Viacom.

Viacom Cautionary Statement Concerning Forward-Looking Statements

This news release contains both historical and forward-looking statements. All statements that are not statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements reflect our current expectations concerning future results, objectives, plans and goals, and involve known and unknown risks, uncertainties and other factors that are difficult to predict and which may cause future results, performance or achievements to differ from forecasts. These risks, uncertainties and other factors include, among others: the public acceptance of Channel 5's programming in the United Kingdom (UK); technological developments and their effect on the UK markets and on consumer behavior; competition for audiences and distribution; the impact of piracy; economic conditions in the UK generally, and in advertising and retail markets in particular; changes in applicable UK laws and regulations, particularly regarding public broadcasting, foreign investment and the nature and amount of advertising that may be included in programming; and other economic, business, competitive and/or regulatory factors affecting businesses in the UK generally. The forward-looking statements included in this document are made only as of the date of this document, and we do not have any obligation to publicly update any forward-looking statements to reflect subsequent events or circumstances. If applicable, reconciliations for any non-GAAP financial information contained in this news release are included in this news release or available on our website at <http://www.viacom.com>.

Viacom

Jeremy Zweig, +1 212-846-7503

jeremy@viacom.com

or

Viacom International Media Networks

Matt Baker, +44 203 580 2101

matt.baker@vimn.com

or

Northern & Shell /Channel 5

Mimi Turner, +44 (0) 20 8612 7030

Source: Viacom Inc.

News Provided by Acquire Media