

**UNITED STATES
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 _____

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from January 1, 2010 to September 30, 2010

Commission File Number 001-32686

VIACOM INC.

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

20-3515052
(I.R.S. Employer
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, \$0.001 par value	New York Stock Exchange
Class B Common Stock, \$0.001 par value	New York Stock Exchange
6.85% Senior Notes due 2055	New York Stock Exchange

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

None
(Title Of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the 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 whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or such shorter period that the registrant was required to submit and post such files). 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 the 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.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of the close of business on June 30, 2010, the last business day of the registrant's most recently completed second fiscal quarter, there were 51,970,772 shares of the registrant's Class A common stock, par value \$0.001 per share, and 556,179,499 shares of its Class B common stock, par value \$0.001 per share, outstanding. The aggregate market value of Class A common stock held by non-affiliates as of June 30, 2010 was approximately \$375.7 million (based upon the closing price of \$35.66 per share as reported by the New York Stock Exchange on June 30, 2010). The aggregate market value of Class B common stock held by non-affiliates as of June 30, 2010 was approximately \$17.4 billion (based upon the closing price of \$31.37 per share as reported by the New York Stock Exchange on June 30, 2010).

As of October 31, 2010, 51,972,965 shares of our Class A common stock and 552,566,126 shares of our Class B common stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Viacom Inc.'s Notice of 2011 Annual Meeting of Stockholders 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, are incorporated by reference into this Transition Report on Form 10-K (Portion of Item 5; Part III).

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PART I

Item 1. *Business.*

OVERVIEW

Viacom is a leading global entertainment content company, engaging audiences on television, motion picture, Internet and mobile platforms through many of the world's best known entertainment brands. We manage our operations through two reporting segments: *Media Networks* and *Filmed Entertainment*. References in this document to "Viacom," "Company," "we," "us" and "our" generally mean Viacom Inc. and our consolidated subsidiaries through which our various businesses are conducted.

As previously announced, in 2010, we changed our fiscal year end to September 30 from December 31. We made this change to better align our financial reporting period, as well as our annual planning and budgeting process, with our business cycle, particularly the cable broadcast year. This Transition Report on Form 10-K reports our financial results for the nine-month period from January 1, 2010 through September 30, 2010, which we refer to as "fiscal year 2010" throughout this report. Following fiscal year 2010, we will report on a twelve-month fiscal year beginning on October 1 and ending on September 30 of each year. The years ended December 31, 2009 and 2008 reflect the twelve-month results of the respective calendar years.

Media Networks

Our *Media Networks* segment provides entertainment content for consumers in key demographics attractive to advertisers, content distributors and retailers. We create and acquire programming and other content for distribution to our audiences how and where they want to view and interact with it: on television, the Internet and mobile devices and through a variety of consumer products and themed entertainment. MTV Networks reaches approximately 635 million households in more than 160 countries and territories worldwide via its approximately 170 channels and multiplatform properties, which include MTV®, VH1®, CMT®, PalladiaHD®, Logo®, Nickelodeon®, Nick at Nite™, Nick Jr.®, TeenNick™, Nicktoons®, Neopets®, COMEDY CENTRAL®, Spike TV®, TV Land® and Atom®, among others. MTV Networks also has a casual games business that includes websites such as AddictingGames.com and Shockwave.com. BET Networks is a leading provider of entertainment, music, news and public affairs programming targeted to the African-American audience, and its channels and properties, which include BET® and CENTRIC®, can be seen in the United States, Canada, the Caribbean, the United Kingdom, Africa and the Middle East.

In September 2010, the Company's Board of Directors authorized management to proceed with a sale of our Harmonix business ("Harmonix"), which develops music-based games, including the *Rock Band* franchise. Management is actively marketing Harmonix for sale and is committed to a plan that management believes will result in the sale of the business within twelve months. Accordingly, the results of operations of Harmonix, which were previously included in the *Media Networks* segment, are presented as discontinued operations throughout this Transition Report.

Our *Media Networks* segment generates revenues principally from advertising sales, affiliate fees and ancillary revenues. Revenues from the *Media Networks* segment accounted for 65%, 61%, 60% and 58% of our revenues for the nine months ended September 30, 2010 and 2009 and for the years ended December 31, 2009 and 2008, respectively.

Filmed Entertainment

Our *Filmed Entertainment* segment produces, finances and distributes motion pictures and other entertainment content under the Paramount Pictures®, Paramount Vantage®, Paramount Classics®, MTV Films® and Nickelodeon Movies® brands. Paramount Pictures has been a leading producer and distributor of motion pictures

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since 1912 and has a library consisting of over 3,300 motion pictures and a small number of television programs. It also acquires films for distribution and has distribution relationships with DreamWorks Animation SKG, Inc. (“DreamWorks Animation”) and MVL Productions LLC (“Marvel”), a subsidiary of The Walt Disney Company (“Disney”). Paramount distributes motion pictures and other entertainment content on DVD and Blu-ray, television, digital and other platforms in the United States and internationally and has a presence in the games business.

Revenues from the *Filmed Entertainment* segment are generated primarily from the theatrical release and/or distribution of motion pictures, sale of home entertainment products such as DVDs, and licensing of motion pictures and other content to pay and basic cable television, broadcast television, syndicated television and digital media outlets. Revenues from the *Filmed Entertainment* segment accounted for 36%, 40%, 41% and 43% of our revenues for the nine months ended September 30, 2010 and 2009 and for the years ended December 31, 2009 and 2008, respectively, with elimination of intercompany revenues of (1%) for each period.

Business Strategy

We produce and distribute television programming, motion pictures and other entertainment content under some of the world’s best known entertainment brands, many of which are household names worldwide. We aim to provide our audience the entertainment they want to experience, how and when they want to experience it, and explore new ways to deliver compelling content. Key elements of our strategy include:

- expanding and enhancing our brands worldwide through the creation and acquisition of hit programming, new channels, successful motion pictures and other forms of entertainment;
- prudently investing in programming and other content that fits into our core businesses and brand portfolios, with a focus on growing ratings across our networks;
- strengthening our relationships with our advertising, cable, satellite, online, mobile and licensing partners and developing new ways of reaching and serving our audiences;
- executing on a film slate focused on key tentpole films mixed with smaller productions or acquisitions and *Media Networks* branded films, while maintaining our focus on cost savings initiatives;
- building our international presence in both our media networks and filmed entertainment businesses; and
- continued operational discipline throughout our organization to generate efficiencies, effectively execute our strategy, maintain a strong financial position and create and return value to our stockholders.

In connection with these efforts, we are committed to fostering a creative and diverse culture, which will enable us to continue to develop unique and cutting-edge content for our audiences and maintain our position as a market leader.

Corporate Information

We were organized as a Delaware corporation in 2005 and our principal offices are located at 1515 Broadway, New York, New York 10036. Our telephone number is (212) 258-6000 and our website is www.viacom.com. Information on our website is not intended to be incorporated into this transition report.

MEDIA NETWORKS

Our media networks, MTV Networks and BET Networks, operate their program services, websites and other digital media services in the United States and internationally.

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Media Networks Revenues

Our *Media Networks* segment generates revenues principally in three categories: (i) the sale of advertising time on our program services and digital properties, (ii) affiliate fees from cable television operators, direct-to-home satellite operators, mobile networks and other content distributors and (iii) ancillary revenues, which include the licensing of our content to third parties and the licensing of our brands and properties for consumer products and home entertainment sales of our programming. In fiscal year 2010, advertising revenues, affiliate fees and ancillary revenues were approximately 54%, 39% and 7%, respectively, of total revenues for the *Media Networks* segment.

Advertising Revenues

The advertising revenues generated by our program services depend on the number of households subscribing to the service, household and viewership demographics and ratings as determined by third party research companies such as The Nielsen Company (US), LLC (“Nielsen”). Our media networks properties target key audiences. For example, MTV targets teen and young adult demographics, Nickelodeon targets kids and their families and BET targets African-American audiences.

Our advertising revenues may be affected by the strength of the advertising market and general economic conditions and may fluctuate depending on the success of our programming at any given time. Advertising revenues may also fluctuate due to seasonal variations, typically being highest in the fourth quarter of the calendar year, which is the first quarter of our new fiscal year.

Our digital businesses generate revenue from a combination of advertising and sponsorships on our approximately 500 digital media properties, which during the quarter ended September 30, 2010 collectively averaged approximately 149 million unique visitors per month. Our on-air programming drives traffic to our digital properties and vice versa, facilitating convergent, or cross-platform, advertising sales. We also receive advertising revenue from sales of advertising inventory on third party content and websites. MTV Networks also syndicates ad-supported long-form and short-form video content to select online destinations, which creates additional opportunities for audiences to interact with our content online and ultimately drives viewership back to our core program services and digital properties.

Affiliate Fees

Revenues from affiliate fees are negotiated with cable and satellite television operators, mobile networks and other distributors, generally resulting in multi-year carriage agreements with set rate increases that provide us with a reasonably stable source of revenues. The amount of the fees we receive is generally a function of the number of subscribers and the rates we receive per subscriber. Expirations of our affiliate agreements are staggered. We are exploring ways to build stronger and more expansive multi-media partnerships with the various distributors of our content that maximize the value of our content for us, our audience and our affiliate partners, such as customized content offerings for video-on-demand and Internet distribution with our cable and satellite partners. We also receive e-commerce revenues from our digital operations.

Ancillary Revenues

Our ancillary revenues are principally derived from content licensing and licensing for consumer products, including licensing of popular characters from our programs, and sales of home entertainment products. Our ancillary revenues may vary based on consumer spending, the popularity of our programming and other content during a particular period and acceptance of our or our partners’ products.

We distribute our programming in the home entertainment market through the sale and rental of DVDs and Blu-ray, video-on-demand, subscription video-on-demand, download-to-own and download-to-rent services. We

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also license our television programs and the concepts and/or formats of such programs to third parties in exchange for licensing fees and royalties. We have a worldwide consumer products licensing business that licenses popular characters from our programs and digital properties, such as those featured in *SpongeBob SquarePants*, *Dora the Explorer*, *South Park* and *Neopets*, in connection with merchandising, video games and publishing worldwide. We generally are paid a royalty based upon a percentage of the licensee's wholesale revenues, with an advance and/or guarantee against future expected royalties. In addition, we have an economic interest in a library of music content and we are creating our own library of original music content for use by us and our affiliates.

Media Networks Properties

MTV Networks is principally comprised of four groups based on target audience, similarity of programming and other factors: the Music and Logo Group, the Kids and Family Group, the Entertainment Group and International. BET Networks' businesses include BET, CENTRIC, BET International and BET Digital, among other properties. Our key media networks properties are discussed below. Unless otherwise indicated, the domestic television household numbers are according to Nielsen, the Internet user data is according to comScore Media Metrix (U.S. data only unless otherwise indicated) and the video stream data is based on internal tracking. International reach statistics are derived from internal data coupled with external sources when available.

MTV Networks

Music and Logo Group

The Music and Logo Group includes our music-oriented program services and digital properties, which generally provide youth-oriented programming targeting the 18-24 and 18-34 demographics, and Logo, our program service for the lesbian, gay, bisexual and transgender audience. Some of our key properties in this group include:



MTV

- A leading global brand and multimedia destination targeting teens and young adults and offering original programming, awards shows, music videos, news and commentary, online communities and mobile content.
- Programming highlights included hits such as *Jersey Shore*, *16 and Pregnant*, *Teen Mom* and *The World of Jenks*, new original programming such as *The Hard Times of R.J. Berger* and *If You Really Knew Me* and returning favorites such as the *VMAs*, which were watched by over 14.1 million viewers on MTV, MTV2 and VH1 according to Nielsen, the *MTV Movie Awards*, *The Buried Life* and *The Real World*.
- MTV reached approximately 99 million domestic television households in September 2010 and more than 596 million households in more than 152 countries and territories via its 39 MTV branded channels. It reaches many more households through branded programming blocks on third party broadcasters.



MTV2

- A music-oriented network featuring music videos, long form music programs, movie news and trailers and groundbreaking music, as well as irreverent, lifestyle, action sports and cross-platform programming.
- Programming highlights were driven by reruns of MTV's hit series, music-based programs such as *Sucker Free Countdown*, *Sucker Free Daily* and *Rock N Jock* and action sports and lifestyle programming such as *Lucha Libre USA: Masked Warriors*, *Nitro Circus* and *Rob Drydek's Fantasy Factory*.
- MTV2 reached approximately 79 million domestic television households in September 2010.



MTV Digital

- Online services featuring a diverse array of entertainment and pop culture content reflecting the core themes of MTV and MTV2, including programming content from MTV and MTV2's program services.
- In the quarter ended September 30, 2010, MTV.com averaged approximately 15.1 million monthly unique visitors and 111 million video streams each month.



VH1

- Music and pop culture-driven network featuring a variety of original and acquired programming primarily focused on music artists, celebrities and real life stories, as well as online and mobile platforms and interests in home video, publishing and consumer products.
- Programming highlights included a record 16 new original series, including *Brandy and Ray J: A Family Business*, *Basketball Wives*, *What Chilli Wants*, *You're Cut Off!*, *Ochocinco: The Ultimate Catch* and *Fantasia for Real*, returning favorites such as *The T.O. Show* and *Celebrity Rehab with Dr. Drew*, as well as the *Critics Choice Movie Awards* and core music offerings such as *VH1 Divas*, *VH1 Hip Hop Honors*, *Behind the Music* and *VH1's Rock Docs*.
- VH1 reached approximately 99 million domestic television households in September 2010.



VH1 Classic

- Vintage-themed network featuring music videos, documentaries, movies and concert footage from the 1970s, 1980s and 1990s, as well as other music-themed programs.
- Programming highlights included *That Metal Show*, *Behind the Music: Remastered*, *Totally 80s*, *Classic Pop-Up Video*, *VH1 Classic 120 Minutes* and the upcoming *Rock 'n' Roll Fantasy Camp* series.
- VH1 Classic reached approximately 57 million domestic television households in September 2010.



VH1 Digital

- Online services featuring music-themed and pop culture content, including live events, performances, news, music videos and original series, at VH1.com, VH1Classic.com and VH1 Mobile. Additionally, BestWeekEver.TV, TheFabLife.com and the VH1 Blog offer daily coverage of the latest in pop culture, music, fashion and celebrity news.
- In the quarter ended September 30, 2010, VH1.com averaged approximately 4.6 million monthly unique visitors and 10.9 million video streams each month.



CMT and CMT Digital

- Authorities on country music and culture, featuring the latest in country music videos, news, awards and live concerts, with a focus on music, family and comedy. The network delivers country's biggest stars across its digital extensions including CMT.com, CMT On Demand, CMT Mobile and CMT Pure, the network's all-music digital channel.
- Programming highlights in 2010 included musical specials such as the annual *CMT Music Awards*, *CMT Crossroads* and *CMT Invitation Only*, comedy originals including the debut of *True Blue: Ten Years of Blue Collar Comedy*, and such returning hits as *World's Strictest Parents* and *The Singing Bee*. CMT's highly-rated weekly staples include *CMT Insider* and *CMT Top 20 Countdown*.

- Nickelodeon and Nick at Nite reached approximately 100 million domestic television households in September 2010. Nickelodeon reached approximately 345 million households in 109 countries and territories in September 2010 via its 29 Nickelodeon branded channels, and many more households through branded programming blocks on third party broadcasters.



Nick.com

- The online destination for all things Nickelodeon, featuring video streaming of Nick content, games and videos, as well as access to the extensive Nickelodeon content library.
- In the quarter ended September 30, 2010, Nick.com sites averaged 9.7 million monthly unique visitors. Nick.com had an average of 66.7 million video streams each month.



Nick Jr. and NickJr.com

- Nick Jr. (formerly Noggin) is a commercial-free, educational channel for preschoolers where they can engage with characters they love while building their imaginations, gaining key cognitive and social-emotional skills and learning about the world around them. NickJr.com exposes kids to entertaining and enriching online activities geared toward their interests, ages and developmental levels.
- Nick Jr. favorites include new original program *Team Umizoomi*, returning original programs *Dora the Explorer*, which marked its first decade on air in 2010, *Go, Diego, Go!*, *The Wonder Pets*, *The Backyardigans* and *The Fresh Beat Band* and returning licensed program *Max and Ruby*.
- Nick Jr. reached approximately 74 million domestic television households in September 2010. In the quarter ended September 30, 2010, NickJr.com averaged 5.1 million monthly unique visitors.



TeenNick and TeenNick.com

- TeenNick is Nickelodeon's 24-hour network exclusively for and about teens, featuring award-winning series, original shows and TV favorites with a focus on celebrating the unique everyday realities of being a teen. TeenNick.com features the best episodes and clips of TeenNick shows, as well as games, quizzes and a vibrant user community.
- Programming highlights included the new original series *Gigantic*, as well as returning favorites *Degrassi*, *The Nightlife*, *What I Like About You*, *That 70's Show*, *Zoey 101* and *Drake and Josh*.
- TeenNick reached approximately 71 million domestic television households in September 2010. In the quarter ended September 30, 2010, TeenNick.com averaged 2.8 million monthly unique visitors.



Nicktoons

Leading cartoon destination for kids and animation lovers.

- Programming highlights included *Avatar: The Last Airbender*, *Dragon Ball Z Kai*, *NFL Rush Zone: Guardians of the Core*, *Speed Racer: The Next Generation*, *Iron Man: Armored Adventures*, *Danny Phantom* and *Fan Boy & Chum Chum*.
- Nicktoons reached approximately 58 million domestic television households in September 2010.



Nickelodeon Virtual Worlds

- Online youth-focused virtual worlds that allow members to create a virtual identity and participate in a variety of customized gameplay; includes Neopets and Petpet Park, an immersive environment for younger kids.
- Neopets has approximately 63 million members and, in the quarter ended September 30, 2010, averaged approximately 2.1 million monthly unique visitors. Petpet Park has approximately 5.8 million members and, in the quarter ended September 30, 2010, averaged approximately 1.4 million monthly unique visitors.



ParentsConnect.com

- Social networking destination for parents, featuring message boards, expert advice, games, user generated content, baby names, local events and activities and personal profile pages. In the quarter ended September 30, 2010, ParentsConnect averaged 2.6 million monthly unique visitors.



Nickelodeon Kids and Family Games

- Gaming services offering classic arcade games and puzzles, social games, sports and other games, as well as our dedicated casual games sites Shockwave.com and AddictingGames.com and several iPhone apps featuring Nick, Nick Jr. and AddictingGames content.
- Nickelodeon's portfolio of gaming sites averaged 12.2 million monthly unique visitors in the quarter ended September 30, 2010.

Other Kids and Family Group properties include Nick Jr. Video, which is the broadband service of Nick Jr.; Nickelodeon Movies, Nickelodeon's motion picture brand, under which Paramount released *The Last Airbender* in 2010 and expects to release *Rango* in fiscal year 2011; and the Nickelodeon Animation Studio. In addition, Nickelodeon licenses its brands for hotels, cruises, live tours and other recreational outlets.

Entertainment Group

The Entertainment Group produces and distributes programming and online content and games that generally target adult and male audiences. Some of our key properties in this group include:



COMEDY CENTRAL

- Television's only all-comedy network, offering multiplatform content on-air, online and on-the-go. COMEDY CENTRAL also has interests in home video, recorded comedy and a live comedy touring business.
- Programming highlights included the Emmy® and Peabody® Award-winning series *The Daily Show with Jon Stewart*, *The Colbert Report* and *South Park*, new original programming such as *Ugly Americans*, favorites such as *Tosh.0* and *Futurama*, specials such as *The COMEDY CENTRAL Roast of David Hasselhoff* and new acquisition *30 Rock*, which is expected to air in 2011.
- COMEDY CENTRAL reached approximately 99 million domestic television households in September 2010.



Comedycentral.com

- Online video platform featuring exclusive COMEDY CENTRAL content. Other COMEDY CENTRAL online properties include *thedailyshow.com* and *Colbertnation.com*, the official fan sites of *The Daily Show with Jon Stewart* and *The Colbert Report*, *Jokes.com*, the largest stand-up comedy library online, and the official *South Park* website *southparkstudios.com*, operated by a joint venture in which COMEDY CENTRAL owns a 51% interest, which features the latest in *South Park* news and content.

- In the quarter ended September 30, 2010, COMEDY CENTRAL's online properties averaged 9 million monthly unique visitors and 82.8 million video streams each month.



Spike TV

- Male-oriented network featuring a mix of original and acquired programming, specials, live events, movies and the exclusive domestic cable rights to the *UFC: The Ultimate Fighter* television series.
- Programming highlights included favorites such as *The Ultimate Fighter*, *TNA iMPACT*, *Deadliest Warrior*, *Blue Mountain State*, *1000 Ways to Die*, *DEA*, *Pros vs. Joes* and *MANswers* and Spike's *Guys Choice Awards*, *Video Game Awards* and *Scream Awards*.
- Spike TV reached approximately 99 million domestic television households in September 2010.



SPIKE.com

- Leading online video entertainment destination for men 18-34, featuring Spike TV's shows, movie and video game trailers, sports clips, celebrity galleries and original digital content. In 2010, Spike TV and Ultimate Fighting Championship® together launched *UltimateFighter.com*, featuring every season of *The Ultimate Fighter*.
- In the quarter ended September 30, 2010, Spike.com averaged approximately 5.6 million monthly unique visitors and 19.5 million video streams each month.



TV Land

- Aired a mix of original programming, classic TV shows and iconic movies designed to appeal to the entertainment needs and attitudes of adults in their 40s and 50s, including TV Land PRIME, a block of primetime original programming.
- Programming highlights included the new hit original sitcom *Hot in Cleveland*, returning favorites such as *High School Reunion*, *How'd You Get So Rich?* and *She's Got The Look*, and new acquisition *Everybody Loves Raymond*.
- TV Land reached approximately 98 million domestic television households in September 2010.

Other Entertainment Group properties include Atom.com, an online service for original short films and video clips, and GameTrailers.com, which produces broadcast quality video content for video games.

MTV Networks International

Worldwide, MTV Networks' operations reached approximately 635 million households in more than 160 countries via its channels and program services in September 2010. MTV Networks International owns and operates, participates in as a joint venturer, and/or licenses to third parties to operate approximately 170 channels and program services. These channels and program services include extensions of our multimedia brands MTV, VH1, Nickelodeon and COMEDY CENTRAL, as well as program services created specifically for international and/or non-English speaking audiences such as Tr3s: MTV, Música y Más (formerly MTV Tr3s), Viva, TMF and Game One, among others. MTVN International also operates over 500 online properties internationally. Most of the MTVN International channels and program services are regionally customized for the particular viewers through the inclusion of local music, programming and on-air personalities and use of the local language. MTV Networks' operations in Europe, Latin America and Asia represent its largest international presence.

We strategically pursue the delivery of our programming in international markets through ownership of certain program services, either ourselves or jointly with a third party, and through licensing of our content to other third party services. We also engage in syndication of our original programming and distribution of consumer products. Our Viacom 18 joint venture in India includes television, film and digital media content across

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numerous brands as well as consumer products. Colors, its Hindi-language general entertainment channel, has rapidly become a highly rated general entertainment channel in India and, in 2010, became available in the United Kingdom and the United States under the names Colors and Aapka Colors, respectively.

We continue to focus on efficiently expanding our international presence by ensuring that we have the appropriate forms of ownership interests in our properties worldwide. In fiscal year 2010, we launched an MTV free to air digital terrestrial television (DTT) channel in Spain, the Nickelodeon channel in the Czech Republic, Greece and Romania, Nick Jr. in the Baltics, Belgium, France, Germany, Hungary, Poland, Russia, Spain, Sweden and Switzerland and Nickelodeon HD and Comedy Central HD channels in the United Kingdom, and we plan to continue to expand our brands in various regions through the continued roll-out of the Nickelodeon, COMEDY CENTRAL and music channel brands. Further, we have established key alliances in the United Kingdom and Australia to continue to expand our advertising sales business in these regions.

BET Networks

BET Networks owns and operates program services, including its flagship BET® channel, CENTRIC®, BET Gospel® and BET Hip Hop®.



BET Networks and BET

- BET Networks is the nation's leading television network providing entertainment, music, news and public affairs programming targeted to African-American audiences and consumers of Black culture. BET is a leading consumer brand in the urban marketplace with a diverse group of branded businesses, including BET, its core channel which focuses on young Black adults; BET Gospel, which focuses on gospel music and spiritual programming; and BET Hip Hop, which features hip hop music programming and performances.
- BET programming highlights included original programming such as *106 & Park*, *The Mo'Nique Show*, *Changing Lanes*, *The Family Crews* and *Sunday Best*, specials such as the *BET Awards '10*, which drew 7.4 million viewers, and acquisitions such as *Everybody Hates Chris* and *The Game*, which is expected to begin airing new original episodes in 2011.
- BET reached approximately 91 million domestic television households in September 2010. According to internal data, BET Gospel and BET Hip Hop reached approximately 4.6 million and 350,000 domestic television households, respectively.

CENTRIC

- CENTRIC targets multicultural audiences, delivering R&B, soul, jazz and world music artists, along with movies, series, live performances and reality programming.
- CENTRIC programming highlights included *Keith Sweat's Platinum House*, *Model City*, *Keeping Up with the Joneses* and the *Soul Train Awards* and new acquisitions *The Cosby Show* and *In Living Color*.
- CENTRIC reached approximately 46 million domestic television households in September 2010.

BET International

- BET International licenses BET content on multiple platforms, including 24-hour BET branded networks, BET branded program blocks and BET branded online and mobile offerings. BET International has a BET channel in the United Kingdom, makes BET programming available on multiple platforms in 51 countries in Africa and the Middle East and is focused on further expanding the distribution of BET original programming into international markets.



- Worldwide, BET can be seen in approximately 107 million households in September 2010 via its BET branded channels and additional households through branded programming blocks on third party broadcasters.



BET.com

- BET.com is a leading online destination for African-American audiences and offers users content and interactive features for news, entertainment, community and other areas tailored to the unique interests and issues of African-Americans. BET.com also provides interactive entertainment content for BET Networks' program services.
- In the quarter ended September 30, 2010, BET.com averaged approximately 2.1 million monthly unique visitors.

Other BET Networks properties include BET Home Entertainment, a collection of BET-branded offerings including DVDs and video-on-demand; and BET Mobile, which delivers music, gaming and video content to its target audiences on mobile devices and digital services across all major service providers.

Media Networks Competition

MTV Networks and BET Networks compete for advertising revenue with other cable and broadcast television networks, online and mobile outlets, radio programming and print media. MTV Networks generally competes with other widely distributed cable networks, the broadcast television networks and certain content-distributing digital properties. Each programming service also competes for audience share with competitors' programming services that target the same audience. For example, Nickelodeon and its related properties compete with other entertainment companies for younger viewers and BET Networks competes with African-American oriented shows on cable and broadcast networks. We also compete with other cable networks for affiliate fees. Our networks compete with other content creators for directors, actors, writers, producers and other creative talent and for new program ideas and the acquisition of popular programming. Competition from these sources, other entertainment offerings and/or audience leisure time may affect our revenues.

FILMED ENTERTAINMENT

Our *Filmed Entertainment* segment produces, finances and distributes motion pictures under the Paramount Pictures, Paramount Vantage, Paramount Classics, MTV Films and Nickelodeon Movies brands. Paramount also acquires films for distribution and has agreements in place to distribute and provide fulfillment services for films produced by DreamWorks Animation and Marvel. In general, motion pictures produced, acquired and/or distributed by the *Filmed Entertainment* segment are exhibited theatrically domestically and internationally, followed by their release in various windows on DVD and Blu-ray, video-on-demand, subscription video-on-demand, pay and basic cable television, broadcast television and syndicated television, digital media outlets, and, in some cases, by other exhibitors such as airlines and hotels (the "distribution windows").

Filmed Entertainment Revenues

Our *Filmed Entertainment* segment generates revenues worldwide principally from: (i) the theatrical release and/or distribution of motion pictures, (ii) home entertainment, which includes sales of DVD, Blu-ray and other products relating to the motion pictures we release theatrically and direct-to-DVD, as well as certain other programming, including content we distribute on behalf of third parties, and (iii) license fees paid worldwide by third parties for exhibition rights during the various other distribution windows and through digital media outlets. The *Filmed Entertainment* segment also generates ancillary revenues from providing production services to third parties, primarily at Paramount's studio lot, consumer products licensing, game distribution and distribution of its content on digital platforms. In fiscal year 2010, theatrical revenues, home entertainment revenues, license fees and ancillary revenues were approximately 38%, 28%, 28% and 6%, respectively, of total revenues for the *Filmed Entertainment* segment.

Theatrical

In choosing films to produce, we aim to create a carefully balanced film slate that represents a variety of genres, styles and levels of investment and risk—with the goal of creating entertainment for both niche audiences and worldwide appeal. The *Filmed Entertainment* segment releases approximately 14 to 16 films per year domestically, including films distributed on behalf of DreamWorks Animation and Marvel. Paramount is focused on continuing to improve the profitability of its film slate by focusing on key tentpole films mixed with smaller productions or acquisitions. Paramount is also capitalizing on synergies from *Media Networks* branded films, potential film acquisition, production and remake opportunities internationally and increasing diversification of revenue streams.

Each motion picture is a separate and distinct product with its profitability dependent upon many factors, among which audience response and cost are of fundamental importance. The theatrical success of a motion picture is a significant factor in determining the revenues it is likely to generate in home entertainment sales and licensing fees during the various other distribution windows. Revenues from motion picture theatrical releases tend to be cyclical with increases during the summer months, around holidays and in the first quarter of our new fiscal year.

The costs associated with producing, marketing and distributing a motion picture can be significant, and can also cause our results to vary depending on the timing of a motion picture's release. For example, marketing costs are generally incurred before and throughout the theatrical release of a film and, to a lesser extent, other distribution windows, and are expensed as incurred. Therefore, we typically incur losses with respect to a particular film prior to and during the film's theatrical exhibition, and profitability may not be realized until well after a film's theatrical release. Therefore, the results of the *Filmed Entertainment* segment can be volatile as films work their way through the various distribution windows. Historically, we have entered into film financing arrangements under which third parties participate in the financing of the production costs of a film or slate of films, typically in exchange for a partial copyright interest, and may consider such arrangements in the future. We also have agreements with third parties, including other studios, to co-finance certain of our motion pictures. For some motion pictures, we distribute worldwide, and for others, a third party may distribute a picture in certain territories.

Home Entertainment

Paramount's home entertainment group is responsible for the worldwide sales, marketing and distribution of DVDs and Blu-ray discs for films distributed by Paramount and other Viacom brands, as well as content we distribute on behalf of third parties. Our home entertainment revenues may be affected by consumer tastes and consumption habits, as well as overall economic conditions.

Licensing

Films produced, owned or distributed by Paramount or DW Studios are licensed for a fee to video-on-demand, subscription video-on-demand, pay and basic cable television, broadcast television and syndication worldwide.

In October 2009, we and our joint venture partners Metro-Goldwyn-Mayer Studios Inc. ("MGM Studios") and Lions Gate Films, Inc. ("Lionsgate") launched EPIX™, a multiplatform premium entertainment service offering Paramount, Lionsgate, MGM Studios and certain third party films to cable, satellite and other subscribers through a premium pay television channel and television and Internet video-on-demand services. EPIX delivers films from Paramount, Paramount Vantage, MTV Films and Nickelodeon Movies released theatrically on or after January 1, 2008 and MGM Studios, United Artists and Lionsgate titles released theatrically on or after January 1, 2009. In August 2010, EPIX and Netflix entered into a multi-year agreement under which EPIX licenses a substantial number of new releases and library titles from its partner studios to Netflix for use on its subscription service, allowing Netflix members to stream a variety of EPIX titles from Netflix over the Internet.

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Paramount also licenses its brands for consumer products, themed restaurants, live stage plays, film clips and theme parks. Revenues are typically derived from royalties based on the licensee's revenues, with an advance and/or guarantee against future expected royalties, and may vary based on the popularity of the brand or licensed product with consumers.

Paramount also distributes films and other content to consumers through digital platforms. This includes offering certain motion picture titles for sale and rent through third party online destinations, as well as offering motion picture images, ring tones and games for sale through Paramount's direct mobile movie site, m.paramount.com. Paramount also has a presence in the games business.

Motion Picture Production and Distribution



- **Theatrical Releases.** In fiscal year 2010, the *Filmed Entertainment* segment theatrically released in domestic and/or international markets Marvel's *Iron Man 2*, DreamWorks Animation's *How to Train Your Dragon* and *Shrek Forever After*, *Shutter Island*, *The Last Airbender*, *Dinner for Schmucks* and *She's Out of My League*, among others. Paramount's fiscal year 2011 slate is expected to include *Paranormal Activity 2*, *Rango*, MTV Films' *Jackass 3D*, Marvel's *Thor* and *The First Avenger: Captain America* and DreamWorks Animation's *Megamind*, among others.
- **Film Library.** Paramount has an extensive library consisting of approximately 1,100 motion picture titles produced by Paramount and acquired rights to approximately 2,200 additional motion pictures and a small number of television programs. The library includes many Academy Award winners such as *Titanic*, *Braveheart*, *Forrest Gump*, *An Inconvenient Truth*, *There Will Be Blood* and such classics as *The Ten Commandments*, *Breakfast at Tiffany's* and *Sunset Boulevard*, as well as successful franchises such as *Indiana Jones*, *Transformers*, *Star Trek*, *Mission: Impossible* and *The Godfather*.
- **Home Entertainment Releases.** Key home entertainment releases in fiscal year 2010 included Marvel's *Iron Man 2*, *Shutter Island*, *The Lovely Bones*, *Up In the Air* and *She's Out of My League*. Paramount also distributes home entertainment products for Nickelodeon, MTV, Comedy Central, BET, CBS Corporation and select PBS programs.
- **Television Licensing.** Paramount licenses the films it releases to video-on-demand, subscription video-on-demand, pay and basic cable television, broadcast television and syndication worldwide. Licenses in fiscal year 2010 included *Star Trek*, *Transformers: Revenge of the Fallen*, *G.I. Joe: The Rise of Cobra*, *Watchmen* and DreamWorks Animation's *Monsters vs. Aliens*, among others.
- **Digital Entertainment.** Paramount develops and distributes filmed entertainment original content for launch on new media platforms internationally. Key projects in fiscal year 2010 were *The Legion of Extraordinary Dancers* (The LXD), a scripted film that launched on Hulu in the U.S. and has been distributed internationally on Joost and iTunes, among others, and a deal with Ben Stiller's company, Red Hour, for the development of original digital media properties that can be launched in a variety of formats, including live action, animated and games.

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Domestic and International Distribution

In domestic markets, Paramount performs its own marketing and distribution services for theatrical and home entertainment releases. In the domestic pay television distribution window, Paramount's feature films initially theatrically released in the United States on or after January 1, 2008 are generally exhibited on EPIX. Certain DreamWorks (including DW Studios) and DreamWorks Animation films are subject to a similar arrangement under an agreement between DW Studios and Home Box Office (HBO). Paramount also distributes films domestically in the other distribution windows and on various digital platforms.

In international markets, Paramount, through its international affiliates, generally distributes its motion pictures for theatrical release through its own distribution operations or, in some countries, through United International Pictures ("UIP"), a company that we and an affiliate of Universal Studios, Inc. ("Universal") own jointly. In five territories, Paramount continues to distribute through Universal, and in two additional territories, Paramount handles distribution of Universal's motion pictures, under distribution arrangements that were re-negotiated in 2010. Beginning in 2011, Paramount will distribute Universal's home entertainment products in Spain, and Paramount's home entertainment group continues to review other possibilities for further efficiencies in international markets.

Key Agreements

In January 2006, Paramount, DreamWorks and certain of their international affiliates entered into a seven-year agreement with DreamWorks Animation for certain exclusive distribution rights to, and home video fulfillment services for, the animated films produced by DreamWorks Animation, for which Paramount receives certain fees. The output term of the agreement expires on the later of the delivery of 13 qualified animated motion pictures and December 31, 2012, subject to earlier termination under certain limited circumstances. We have distributed nine films under the agreement and expect to distribute two more in fiscal year 2011.

In October 2010, Paramount and Marvel amended the arrangements under which Paramount distributes certain of Marvel's self-produced feature films on a worldwide basis. Paramount transferred to Marvel substantially all of its worldwide distribution rights to *The Avengers* and *Iron Man 3*, in exchange for aggregate minimum guaranteed payments to Paramount of \$115 million and the right for Paramount to receive certain contingent consideration. Paramount retains its distribution rights to the upcoming films, *Thor* and *The First Avenger: Captain America*, and continues to distribute the previously released films, *Iron Man* and *Iron Man 2*.

In February 2010, we acquired the remaining 51% that we did not already own of the equity in DW Funding LLC ("DW Funding"), the owner of the DreamWorks live-action film library consisting of 59 films released through September 16, 2005. Paramount and its international affiliates had the exclusive distribution rights to the live-action film library and received distribution fees during the time we did not own the library.

In June 2010, Paramount exercised its option to extend its revenue sharing license agreement with Redbox Automated Retail, LLC ("Redbox"), a subsidiary of Coinstar, Inc., until December 31, 2014 (or December 31, 2011, at Paramount's discretion). Under the agreement, Redbox licenses from Paramount theatrical and direct-to-video DVDs for rental at its approximately 22,000 DVD-rental kiosks in the United States. Redbox receives the titles on the date on which the DVDs first become available to the general public.

Filmed Entertainment Competition

Our *Filmed Entertainment* segment competes for audiences for its motion pictures and other entertainment content with the other major motion picture studios as well as independent film producers. Competitive position primarily depends on the number and quality of the films produced, their distribution and marketing success and public response. We also compete for creative talent, including actors, directors and writers, and scripts for motion pictures, all of which are essential to our success. Our motion picture brands also compete with these studios and other producers of entertainment content for distribution of motion pictures through the various distribution windows and on digital platforms. Competition from other motion pictures released around the same time and/or for audience leisure time generally may affect revenues.

SOCIAL RESPONSIBILITY

Viacom is committed to acting responsibly and proactively in the global community. Our social responsibility commitment leverages the power of our brands and the strength of our audience relationships to encourage action on a variety of pro-social issues that are important to our employees, audiences, partners and shareholders alike. Our social responsibility efforts are spearheaded by our Corporate Responsibility Council, which seeks to provide company-wide guidance and support to the variety of pro-social causes led by our employees and individual program services, and we support and participate in a number of global pro-social initiatives that raise awareness and provide resources in a variety of areas including education, the environment, health, family and politics.

Our businesses allow us to reach a wide range of demographics in various parts of the world, and we strive to fuel social change through our foundations and individual campaigns, such as:

- Get Schooled: our groundbreaking partnership with the Bill & Melinda Gates Foundation aimed at generating greater awareness and engagement in solving the nation's public education crisis and offering resources and support to students, parents and educators;
- BET's Emmy Award-winning Rap-It-Up: raising AIDS/HIV awareness;
- Comedy Central's Address the Mess: raising awareness surrounding environmental issues;
- MTV's A THIN LINE: addressing the emerging and pervasive issue of youth digital abuse;
- Nickelodeon's Let's Just Play: empowering kids to engage in active, healthy and fun play;
- VH1's Save the Music Foundation: restoring instrumental music education in America's public schools;
- Paramount's Kindergarten to Cap & Gown: engaging employees in mentoring students through their entire elementary, middle and high school careers;
- Paramount's Green: encouraging eco-friendly behavior and business practices in the workplace;
- Viacom's annual Viacomcommunity Day: engaging employees company-wide in a day of public service activities.

We also believe it is important to promote socially responsible business practices both within Viacom and by our business partners. Our Global Business Practices Statement and Supplier Compliance Policy are posted in the "Corporate Governance" section of our website www.viacom.com. We also require that certain partners, such as licensees in our consumer products business, agree to a Code of Conduct as a condition to our doing business with them.

More information about our social responsibility initiatives is available at www.viacom.com, under "Corporate Responsibility."

REGULATION

Our businesses are subject to and affected by laws and regulations of U.S. federal, state and local governmental authorities, and our international operations are subject to laws and regulations of local countries and pan-national bodies such as the European Union. The laws, regulations, rules, 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 relevant laws and regulations. The descriptions do not describe all present and proposed laws and regulations affecting our businesses.

Intellectual Property

We are fundamentally a content company, and the protection of our brands and entertainment content, and the laws affecting our intellectual property, are of paramount importance to us. See the section entitled “Intellectual Property” below for more information on our brands.

Copyright Law and Content

In the United States, under current law, the copyright term for authored works is the life of the author plus 70 years. For works-made-for-hire, the copyright term is the shorter of 95 years from first publication or 120 years from creation.

Copyright Theft

The unauthorized reproduction, distribution or display of copyrighted material over the Internet or through other methods of distribution, such as devices, software or websites that allow or encourage the reproduction, viewing, sharing and/or downloading of entertainment content, interferes with the market for copyrighted works and disrupts our ability to create, distribute and monetize our content. In addition, copyright theft of motion pictures and television content through unauthorized distribution on DVDs, Internet downloads and streaming and other platforms continues to present significant challenges for our industry.

The extent of copyright protection and the use of technological protections, such as encryption, vary in different countries. We are actively engaged in enforcement and other activities to protect our intellectual property, including monitoring notable online destinations that distribute our content and sending takedown notices in appropriate circumstances, using filtering technologies employed by some user-generated content sites and pursuing litigation against websites that distribute or facilitate the distribution of our content without authorization. We also are actively engaged in educational outreach to guilds, state and federal government officials and other stake holders in an effort to marshal greater resources to combat copyright theft. Additionally, we participate in various industry-wide enforcement initiatives, education and public relations programs and legislative activity on a worldwide basis. One potential area of enforcement activity is to work with network operators, such as Internet service providers (“ISPs”) and user-generated content sites, to take action against users who distribute our content without authorization, and we are engaged in discussions with ISPs domestically and abroad. In addition, certain countries have adopted or are considering “graduated response” programs under which ISPs will impose sanctions (such as termination, suspension or limitation of service) on subscribers after a series of escalating notices. For example, France, South Korea and Taiwan have established Internet enforcement regimes that include limitation or termination of a subscriber’s service for repeated acts of copyright theft, and similar legislation is under consideration in New Zealand. Spain is considering legislation that would enable copyright holders to initiate a process that could result in the blocking of access to websites engaging in online copyright theft, and one of Ireland’s broadband providers has implemented a pilot program under which it will send users who illegally share copyrighted music three warnings before terminating a user’s service for one year.

In September 2010, U.S. Senators Patrick Leahy and Orrin Hatch, together with nine additional original cosponsors, introduced “The Combating Online Infringement and Counterfeits Act,” which grants the U.S. Department of Justice (the “DOJ”) additional authority to target websites that engage in online copyright infringement and the sale of counterfeit goods. The bill would supplement the DOJ’s authority against U.S. sites found to be offering “infringing content” by providing for the suspension of the domain name of the offending site. For infringing sites based outside the U.S., the DOJ would be able to serve a court order on ISPs, payment processors and ad network providers requiring them to stop doing business with the “rogue site” by, among other things, blocking online access to the site, not processing the site’s purchases or not placing their clients’ ads on the site. The U.S. House of Representatives is expected to introduce similar legislation.

In June 2010, the Department of Homeland Security’s Immigration and Customs Enforcement Office (“ICE”) announced “Operation In Our Sites,” an initiative aimed at Internet counterfeiting and piracy. Working with other law enforcement entities, ICE seized nine illegal websites, as well as assets from bank, Paypal, investment

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and advertising accounts. This ongoing effort by ICE has already made a significant impact in curtailing the market for illegal content on the Internet, and we look forward to working with ICE and other law enforcement entities on similar initiatives.

In October 2008, the Prioritizing Resources and Organization for Intellectual Property Act of 2007 (the “PRO-IP Act”) was signed into law in the United States. The PRO-IP Act increased both civil and criminal penalties for counterfeiting and piracy of intellectual property associated with works of music and film, among other things; provided enhanced resources to law enforcement agencies for enforcing intellectual property rights; criminalized the export of counterfeit goods; and created the Intellectual Property Enforcement Coordinator, or “IPEC,” a cabinet-level position appointed by the Senate responsible for issuing enforcement policy to, and coordinating the efforts of, U.S. departments to reduce counterfeit and infringing goods in the domestic and international supply chain. In June 2010, the IPEC issued the 2010 Joint Strategic Plan on Intellectual Property Enforcement, which reported that the Obama Administration will pursue additional solutions to the problems associated with Internet piracy, including vigorously investigating and prosecuting criminal activity, reviewing existing laws to ensure they are effectively reaching the appropriate range of infringing conduct, including any gaps in scope due to technological changes, and reviewing existing civil and criminal penalties to ensure they are providing an effective deterrent to infringement. We strongly support these initiatives and believe they will aid our efforts to appropriately protect our content.

While many legal protections exist to combat piracy, the proliferation of piracy and technological tools with which to carry it out continue to escalate at an alarming rate, and laws and enforcement activity domestically and internationally are currently insufficient. Failure to strengthen these laws and enhance enforcement efforts could make it more difficult for us to adequately protect our intellectual property, which could negatively impact its value and further increase the costs of enforcing our rights as we continue to expend substantial resources to protect our content.

Media Networks

Music Royalties

MTV Networks and BET Networks currently obtain content for their cable networks, websites and other properties from record labels, music publishers, independent producers and artists. We have entered into global music video licensing agreements with certain of the major record companies and music publishers and into global or regional license agreements with certain independent record companies and music publishers. MTV Networks and BET Networks also obtain certain rights to some of their content, such as performance rights of song composers and rights to non-interactive digital transmission of recordings, pursuant to licenses from performing rights organizations such as ASCAP and BMI and through statutory compulsory licenses established by the Digital Millennium Copyright Act (the “DMCA”), as amended. The performing rights royalties payable to ASCAP and BMI are either negotiated or set by statutory Rate Courts. Royalties for the compulsory licenses are established periodically by the Copyright Royalty Board.

Net Neutrality

In October 2009, the Federal Communications Commission (the “FCC”) proposed “net neutrality” regulations that could directly impact the right and ability of ISPs to combat intellectual property theft online, and also impact the online delivery of video content. In April 2010, the Court of Appeals for the District of Columbia vacated an order that the FCC issued in 2008 against Comcast for violating net neutrality principles embodied in the FCC’s Internet Policy Statement. The ruling calls into question whether the FCC has authority to regulate Internet services and promulgate net neutrality regulations. In September 2010, the FCC sought additional public comment on certain net neutrality issues. Through various trade associations, we are working with the FCC to ensure that ISPs are permitted to combat intellectual property theft and deliver content in a consumer-friendly manner. Industry negotiations on net neutrality issues are also ongoing.

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Children's Programming

Federal legislation and FCC rules limit the amount and content of commercial matter that may be shown on cable channels during programming designed for children 12 years of age and younger, and some U.S. policymakers have sought limitations on food and beverage advertising during such programming. In December 2009, the Federal Trade Commission (the "FTC"), the Centers for Disease Control, the Food and Drug Administration and the Department of Agriculture jointly proposed nutritional guidelines for food and beverage marketing directed to children and teens ages 17 years and under. Although the guidelines are expected to be voluntary, if adopted, they could have a negative impact on our *Media Networks* advertising revenues, particularly for our networks with programming targeted to children and teens. Similar restrictions also exist in the U.K., where OFCOM has restricted television ads for foods and drinks high in fat, salt and sugar in and around programming for children and teens ages 15 years and under. Various other laws and regulations intended to protect the interests of children are applicable to our businesses, including measures designed to protect the privacy of minors online.

Program Access

Under the Communications Act of 1934, vertically integrated cable programmers are generally prohibited from offering different prices, terms or conditions to competing multichannel video programming distributors unless the differential is justified by certain permissible factors set forth in the FCC's regulations. The FCC's "program access" rules also limit the ability of a vertically integrated cable programmer to enter into exclusive distribution arrangements with cable television operators. A cable programmer is considered to be vertically integrated if it owns or is owned by a cable television operator in whole or in part under the FCC's program access attribution rules. Cable television operators for this purpose may include telephone companies that provide video programming directly to subscribers. Our wholly owned program services are not currently subject to the program access rules. Because we and CBS Corporation are under common control, each company's businesses, as well as the businesses of any other commonly controlled company, may be attributable to the other companies for purposes of the program access rules, and therefore the businesses and conduct of CBS Corporation could have the effect of making us subject to the rules. If we were to become subject to the program access rules, our flexibility to negotiate the most favorable terms available for our content and our ability to offer cable television operators exclusive programming could be adversely affected.

Filmed Entertainment

U.K. Pay-TV Rights

In August 2010, OFCOM referred to the Competition Commission for investigation the market in the rights to exhibit movies from the major Hollywood studios in the first pay-TV subscription window. In an earlier report, OFCOM focused on the sale of subscription video-on-demand rights packaged with the rights to exhibit first run movies on linear pay-TV channels. OFCOM stated it was concerned that BSkyB, the dominant satellite TV broadcaster in the U.K., which has obtained both the linear pay-TV and the subscription video-on-demand rights from each of the six major Hollywood studios, will use its market power to restrict distribution of its movie channels and limit the exploitation of subscription video-on-demand rights. We believe that any limitation on our right to sell the rights to exhibit movies on linear pay-TV channels packaged with subscription video-on-demand rights could have a negative impact on the license fees we derive and would not benefit consumers. We intend to oppose any potential regulatory action.

Marketing to Children

In December 2009, the FTC issued a report calling for stronger industry safeguards on the marketing of violent movies to children, concluding that movie studios intentionally market PG-13 movies to children under 13 and that unrated DVDs undermine the rating system and confuse parents. The FTC has not called for regulation or enforcement against movie studios, but any such government action in this area could have a negative impact on our *Filmed Entertainment* revenues.

INTELLECTUAL PROPERTY

We create, own and distribute intellectual property worldwide. It is our practice to protect our motion pictures, programs, content, brands, characters, games, publications and other original and acquired works, and ancillary goods and services. The following brands, logos, trade names, trademarks and related trademark families are among those strongly identified with the product lines they represent and are significant assets of the Company: Viacom®, MTV Networks®, MTV®, MTV2®, mtvU®, Tr3s: MTV, Música y Más™, VH1®, VH1 Classic™, CMT®, PalladiaHD®, Logo®, Nickelodeon®, Nick at Nite™, Nick Jr.®, TeenNick™, Nicktoons®, Atom®, Neopets®, Shockwave®, AddictingGames®, COMEDY CENTRAL®, Spike TV®, TV Land™, MTVN International™, VIVA™, TMF™, BET Networks™, BET®, CENTRIC®, BET.com®, BET Mobile®, Paramount Pictures®, Paramount Vantage®, Paramount Classics®, MTV Films®, Nickelodeon Movies® and other domestic and international program services and digital properties.

EMPLOYEES AND LABOR MATTERS

At September 30, 2010, we employed approximately 10,900 full-time and part-time employees worldwide. We also had approximately 250 project-based staff on our payroll as of September 30, 2010, and use many other project-based staff and temporary employees in the ordinary course of our business.

We engage the services of writers, directors, actors and other employees who are subject to collective bargaining agreements. In 2008, we reached new three-year agreements with the Writers Guild of America, the American Federation of Television and Radio Employees (AFTRA), the International Alliance of Theatrical and Stage Employees (IATSE) and the Directors Guild of America. In 2009, we reached a new two-year agreement with the Screen Actors Guild (SAG). In November 2010, we reached new three-year agreements in principle with the AFTRA/SAG joint bargaining committee, subject to ratification by AFTRA and SAG. The new agreements are expected to be effective July 1, 2011. Any labor dispute with these or other organizations could disrupt our operations and reduce our revenues, and we may not be able to negotiate favorable terms for renewals.

FINANCIAL INFORMATION ABOUT SEGMENTS AND FOREIGN AND DOMESTIC OPERATIONS

Financial and other information by reporting segment and revenues by geographic area for the nine months ended September 30, 2010 and the years ended December 31, 2009 and 2008 are set forth in Note 16 to our Consolidated Financial Statements.

AVAILABLE INFORMATION

We file annual, quarterly and current reports, proxy and information statements and other information with the Securities and Exchange Commission (the "SEC"). Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to such reports filed with or furnished to the SEC pursuant to the Securities Exchange Act of 1934, as amended, will be available free of charge on our website at www.viacom.com (under "Investor Relations") as soon as reasonably practicable after the reports are filed with the SEC. These documents are also available on the SEC's website at www.sec.gov.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This Transition Report on Form 10-K, including "Item 7. Management's Discussion and Analysis of Results of Operations and Financial Condition," contains both historical and forward-looking statements. All statements which 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 or goals, and involve known and unknown risks, uncertainties and other factors that are difficult to predict and which may cause actual results, performance or achievements to differ. These risks, uncertainties and other factors are discussed in "Item 1A. Risk Factors" below. Other risks, or updates to the risks discussed below, may be described in our news releases and filings with the Securities and Exchange Commission, including but not

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limited to our reports on Form 10-Q and Form 8-K. 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.

Item 1A. Risk Factors.

A wide range of risks may affect our business and financial results, now and in the future. We consider the risks described below to be the most significant. There may be other currently unknown or unpredictable economic, business, competitive, regulatory or other factors that could have material adverse effects on our future results.

Our Success is Dependent upon Audience Acceptance of our Brands, Programming, Motion Pictures and Other Entertainment Content, which is Difficult to Predict

The production and distribution of programming, motion pictures and other entertainment content are inherently risky businesses because the revenues we derive from various sources depend primarily on our content's acceptance by the public, which is difficult to predict. Audience tastes change frequently and it is a challenge to anticipate what offerings will be successful at a certain point in time. In addition, competing entertainment content, the availability of alternative forms of entertainment and leisure time activities, general economic conditions, piracy and increasing digital and on-demand distribution offerings also affect the audience for our content.

In our *Media Networks* business, our advertising revenues typically are a product of audience size and pricing, which reflect market conditions. Depending on the success of our programming at any given time, our cable networks can experience ratings fluctuations that negatively affect our advertising revenues. Low audience ratings can also negatively affect the affiliate fees we receive and/or limit a network's distribution potential. Our expenses may increase moderately as we invest in new programming, and there is no guarantee that the new programming will be successful or generate sufficient revenue to recoup the expenditure. In addition, consumer acceptance of our brands and retail offerings is key to the success of those businesses and their ability to generate advertising, affiliate and ancillary revenues.

In our *Filmed Entertainment* business, the theatrical performance of a motion picture affects not only the theatrical revenues we receive but also those from other distribution channels, such as home entertainment sales, television licenses and sales of licensed consumer products.

We Must Respond to and Capitalize on Changes in Consumer Behavior Resulting from New Technologies and Distribution Platforms in Order to Remain Competitive and Exploit New Opportunities

Consumers are spending an increasing amount of time on the Internet and mobile devices, and technology in these areas continues to evolve rapidly. We must adapt our businesses to changing consumer behavior driven by new or enhanced offerings such as the ability to obtain television content directly from the Internet, or "over-the-top" access, the increased availability of content online, including potential online distribution by our traditional cable and satellite operator partners, and Blu-ray, video-on-demand, subscription video-on-demand and other enhanced home entertainment offerings. There is also increased mobility of content and greater demand for short form, user-generated and interactive content.

Technological advancements and changing consumer behavior are affecting our traditional distribution methods, for example, by reducing the demand for buying DVDs. Despite the significant growth of the Blu-ray format, the DVD market continued to decline in 2010. It is important that we find new and enhanced ways to market and deliver our films securely in the home entertainment marketplace and there can be no assurance that we will be able to do so or achieve historical revenue or margin levels.

In addition, consumers are increasingly viewing content on a time-delayed or on-demand basis from the Internet, on their televisions and on handheld or portable devices. At the same time, windows for exhibition of movies are shortening, with each shortened window potentially cannibalizing revenues from other windows. Technological

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advances can increase fragmentation, creating additional competition for our content. We must continue to adapt our content to these viewership habits. If we cannot adapt to the changing lifestyles and preferences of our target audiences and capitalize on technological advances with favorable business models, there could be a negative effect on our business and prospects.

Theft of Our Entertainment Content, Including Digital Copyright Theft and Other Unauthorized Exhibitions of Our Content, May Decrease Revenue Received from Our Programming and Motion Pictures and Adversely Affect Our Business and Profitability

The success of our business depends in part on our ability to maintain and monetize our intellectual property rights to our entertainment content. We are fundamentally a content company and theft of our brands, motion pictures and home entertainment product, television programming, digital content and other intellectual property has the potential to significantly affect us and the value of our content. Copyright theft is particularly prevalent in many parts of the world that lack effective enforcement of copyright and technical protective measures similar to existing law in the United States. Domestically, the interpretation of copyright, privacy and other laws as applied to our content, and our piracy detection and enforcement efforts, remain in flux. The failure to strengthen and/or the weakening of laws related to the enforcement of intellectual property rights could make it more difficult for us to adequately protect our intellectual property, negatively affecting its value. Copyright theft and other unauthorized uses of content are made easier by the wide availability of higher bandwidth and reduced storage costs, as well as tools that undermine security features such as encryption and the ability of pirates to cloak their identities online. Copyright theft has an adverse effect on our business because it reduces the revenue that we are able to receive from the legitimate sale and distribution of our content, undermines lawful distribution channels and inhibits our ability to recoup or profit from the expense incurred to create such works. We are actively engaged in enforcement and other activities to protect our intellectual property, and it is likely that we will continue to expend substantial resources in connection with these efforts. These efforts to prevent the unauthorized use of our content may affect our profitability and may not be successful in adequately limiting unauthorized distribution of our creative works.

Our Businesses Operate in Highly Competitive Industries

Companies in the cable networks, motion picture and digital industries depend on audience acceptance of content, appeal to advertisers and solid distribution relationships. Competition for content, audiences, advertising and distribution is intense and comes from broadcast television, other cable networks, online and mobile properties, movie studios and independent film producers and distributors, among other entertainment outlets. Competition also comes from pirated content.

Our competitors include market participants with interests in multiple media businesses which are often vertically integrated, whereas our *Media Networks* businesses generally rely on distribution relationships with third parties. The pending acquisition of one of our primary programming competitors by the largest domestic distributor would significantly increase such competition by vertically integrated enterprises. As more cable and satellite operators, Internet service providers and other content distributors create or acquire their own content, they may have significant competitive advantages, which could adversely affect our ability to negotiate favorable terms or otherwise compete effectively. Our competitors could also have preferential access to important technologies, customer data or other competitive information. Our ability to compete successfully depends on a number of factors, including our ability to create or acquire high quality and popular entertainment content, adapt to new technologies and distribution platforms and achieve widespread distribution. More content distribution options increase competition for viewers, and competitors targeting programming to narrowly defined, or “fragmented,” audiences may gain an advantage over us for television advertising and affiliate revenues. There can be no assurance that we will be able to compete successfully in the future against existing or potential competitors, or that competition will not have a material adverse effect on our business, financial condition or results of operations.

Changes in Advertising Markets Could Cause Our Revenues and Operating Results to Decline Significantly in Any Given Period or in Specific Markets

We derive substantial revenues from the sale of advertising on a variety of platforms, and a decline in advertising expenditures could have a significant adverse affect on our revenues and operating results in any given period. Fluctuations and declines in advertising spending can be caused by the economic prospects of specific advertisers or industries, or the economy in general, and advertisers may adjust their spending priorities based on these or other factors.

In addition, the pricing and volume of advertising in the markets where we compete may be affected by shifts in spending toward online and mobile outlets from more traditional media, or toward new ways of purchasing advertising, such as through third parties selling local advertising spots and advertising exchanges. For example, we and other cable network owners may provide advertising inventory on our networks to cable television or satellite operators and other intermediaries that may compete with our direct sales.

Political, social or technological change may also reduce various sectors' advertising expenditures. For example, Federal legislators and regulators could impose additional limitations on advertising to children in an effort to combat childhood obesity and unhealthy eating or for other reasons, impose limitations on the marketing of certain movies, or regulate product placement and other program sponsorship arrangements. Any reduction in advertising expenditures could have an adverse effect on our revenues and results of operations.

Increased Costs for Programming, Motion Pictures and Other Content, as Well as Judgments We Make on the Potential Performance of our Content, May Adversely Affect Our Profits and Balance Sheet

In our *Media Networks* segment, we have historically produced a significant amount of original programming and intend to continue to invest in this area. We also acquire programming, such as motion pictures and television series, from other studios and television production companies and pay license fees in connection with the acquired rights. Our investments in original and acquired programming are significant, and involve complex negotiations with numerous third parties. These costs may not be recouped when the program is broadcast or distributed and may lead to decreased profitability or potential write-downs.

The *Filmed Entertainment* segment's core business involves the production, marketing and distribution of motion pictures, the costs of which have generally been increasing. A film's underperformance theatrically can significantly affect our revenues and profitability and negatively affect the revenues we receive from subsequent distribution channels.

The accounting for the expenses we incur in connection with our programming and motion pictures requires that we make judgments about the potential success and useful life of the program or motion picture. If our estimates prove to be incorrect, we may be forced to accelerate our recognition of the expense and/or write down the value of the asset. For example, we estimate the ultimate revenues of a motion picture before it is released based on a number of factors. Upon a film's initial domestic theatrical release and performance, we update our estimate of ultimate revenues based on actual results. If it is not received favorably, we may reduce our estimate of ultimate revenues, thereby accelerating the amortization of capitalized film costs. Similarly, if we determine it is no longer advantageous for us to air a program on our networks, we would accelerate our amortization of the program.

An increase in content acquisition costs could also affect our profits. For example, we license various music rights from the major record companies and music publishers, performing rights organizations and others. Some of these sources of music are highly consolidated and certain music costs are subject to adjudicatory procedures in courts or administrative agencies. There can be no assurance that we will be able to obtain or negotiate favorable terms for license renewals or additional license agreements from these sources.

Our Revenues, Expenses and Operating Results May Vary Based on the Timing, Mix, Number and Availability of Our Motion Pictures and on Seasonal Factors

Our revenues and operating results fluctuate due to the timing, mix, number and availability of our theatrical motion picture and home entertainment releases, as well as license periods for our content. For example, our operating results may increase or decrease during a particular period due to differences in the number and/or mix of films released compared to the corresponding period in the prior year. Our operating results also fluctuate due to the timing of the recognition of production and marketing expenses, which are typically largely incurred prior to the release of motion pictures and home entertainment product, with the recognition of related revenues in later periods.

Our business also has experienced and is expected to continue to experience seasonality due to, among other things, seasonal advertising patterns and seasonal influences on audiences' viewing habits and attendance. Typically, our revenue from advertising increases in the first quarter of our new fiscal year due to the holiday season, among other factors, and revenue from motion pictures increases in the summer, around holidays and in our first fiscal quarter. The effects of these variances make it difficult to estimate future operating results based on the results of any specific quarter.

Global Economic Conditions May Continue to Have an Adverse Effect on Our Businesses

Economic conditions in recent years have adversely affected a number of aspects of our businesses worldwide, in particular revenues derived from advertising sales and sales of home entertainment and other consumer products. Economic conditions can negatively affect the businesses of our partners who purchase advertising on our networks and reduce their spending on advertising. In addition, increased unemployment and slowing consumer spending can reduce sales of our retail products. The worsening of current global economic conditions would adversely affect our businesses.

Changes in U.S. or Foreign Communications Laws, Laws Affecting Intellectual Property Rights or Other Regulations May Have an Adverse Effect on Our Business

The multichannel video programming and distribution industries in the United States are highly regulated by U.S. federal laws and regulations issued and administered by various federal agencies, including the FCC. Our program services and online properties are subject to a variety of laws and regulations, including those relating to issues such as content regulation, user privacy and data protection, and consumer protection, among others. For example, various laws and regulations are intended to protect the interests of children, including limits on the amount and content of commercial material that may be shown, restrictions on children's advertising and measures designed to protect the privacy of minors. Practices for the marketing of certain films to children are also being reviewed.

In addition, the U.S. Congress and the FCC currently have under consideration, and may in the future adopt, new laws, regulations and policies regarding a wide variety of matters that could directly or indirectly affect the operations or ownership of our U.S. media properties. For example, in 2010, the U.S. Copyright Office, pursuant to the DMCA, provided exemptions to the rules prohibiting the anti-circumvention of technical protection measures applied to content media, permitting users to bypass DVDs' digital rights management features under certain circumstances. In addition, other domestic and international governments and regulators may support additional limitations on food and beverage advertising to children, including OFCOM in the United Kingdom, which has restricted certain television advertisement, and certain international restrictions on alcohol advertising and the amount of advertising permitted on commercial networks are under consideration. Our businesses could be affected, perhaps materially, by any such new laws, regulations and policies in the jurisdictions where we, or our partners, operate. We could incur substantial costs to comply with new laws and regulations or substantial penalties or other liabilities if we fail to comply. We could also be required to change or limit certain of our business practices.

Changes to our Business Could Result in Future Costs or Charges

We adjust our business strategy in response to particular events and circumstances, including the business environment, competitive factors and economic conditions. In connection with the implementation of new strategies, we may decide to restructure certain of our operations, businesses or assets. In addition, external events, such as reduced revenues resulting from changes in macro-economic conditions, conditions in our markets or increases in costs, could negatively affect the value of our assets. Such events could result in restructuring and other charges, including the impairment of certain assets, and/or the incurrence of additional costs.

The Loss of Affiliation Agreements, or Renewal on Less Favorable Terms, Could Cause Our Revenues to Decline in Any Given Period or in Specific Markets

We are dependent upon our affiliation agreements with cable television operators, satellite operators, mobile networks and other distributors for the distribution of our program services. We have agreements in place with the major distributors, all of which are multi-year agreements at inception and expire on a staggered basis over the next several years. There can be no assurance that these affiliation agreements will be renewed in the future on terms, including pricing, acceptable to us. The loss of a significant number of these arrangements or the loss of carriage on the most widely available programming tiers could reduce the distribution of our program services and decrease the potential audience for our programs, which would adversely affect our advertising and affiliate fee revenues.

The Loss of Key Talent Could Disrupt Our Business and Adversely Affect Our Revenues

Our business depends upon the continued efforts, abilities and expertise of our corporate and divisional executive teams and entertainment personalities. We employ or contract with several entertainment personalities with loyal audiences and we produce motion pictures with highly regarded directors, actors and other talent. These individuals are important to achieving audience endorsement of our programs, motion pictures and other content. There can be no assurance that these individuals will remain with us or will retain their current appeal, or that the costs associated with retaining talent will be reasonable. If we fail to retain these individuals on current terms or if our entertainment personalities lose their current appeal, our revenues and profitability could be adversely affected.

We Could Be Adversely Affected by Strikes and Other Union Activity

We and our suppliers engage the services of writers, directors, actors and other talent, trade employees and others who are subject to collective bargaining agreements. Any labor disputes may disrupt our operations and reduce our revenues, and we may not be able to negotiate favorable terms for a renewal, which could increase our costs.

Political and Economic Risks in the Countries Where We Do Business Could Harm Our Financial Condition

Our and our partners' businesses operate and have customers worldwide, and we are focused on expanding our international operations in key markets, some of which are emerging markets. Inherent risks of doing business in international markets include, among other risks, changes in the economic environment, export restrictions, currency exchange controls and/or fluctuations, taxation rules and procedures, tariffs or other trade barriers, longer payment cycles, corruption and, in some markets, increased risk of political instability. In particular, foreign currency fluctuations against the U.S. Dollar affect our results both positively and negatively, which may cause results to fluctuate. Furthermore, some foreign markets where we and our partners operate may be more adversely affected by current economic conditions than the United States. We also may incur substantial expense as a result of changes in the existing economic or political environment in the regions where we do business, including the imposition of new restrictions. Acts of terrorism or other hostilities, or other future financial, political, economic or other uncertainties, could lead to a reduction in revenue or loss of investment, which could adversely affect our business, financial condition or results of operations.

The Failure or Destruction of Satellites and Facilities that We Depend Upon to Distribute Our Programming Could Adversely Affect Our Business and Results of Operations

We use satellite systems to transmit our program services to cable television operators and other distributors worldwide. The distribution facilities include uplinks, communications satellites and downlinks. Notwithstanding back-up and redundant systems, transmissions may be disrupted as a result of local disasters that impair on-ground uplinks or downlinks, or as a result of an impairment of a satellite. Currently, there are a limited number of communications satellites available for the transmission of programming. If a disruption occurs, we may not be able to secure alternate distribution facilities in a timely manner. Failure to do so could have a material adverse effect on our business and results of operations.

Our Obligations Related to Guarantees, Litigation and Joint Ventures Could Adversely Impact Our Financial Condition

We have both recorded and potential liabilities and costs related to discontinued operations and former businesses, including, among other things, potential liabilities to landlords if Famous Players Inc. defaults on certain theater leases. We have also made certain investments in joint ventures and have future funding obligations, which may not be recouped until well after our initial investment, if at all. We are also involved in pending and threatened litigation from time to time, the outcome of which is inherently uncertain and difficult to predict. There can be no assurance that our reserves are sufficient to cover these liabilities in their entirety or any one of these liabilities when it becomes due or at what point any of these or new liabilities may affect us. Therefore, there can be no assurance that these liabilities will not have an adverse effect on our financial condition.

Sales of Additional Shares of Common Stock by National Amusements Could Adversely Affect the Stock Price

National Amusements, Inc. (“NAI”), which is controlled by our Executive Chairman and Founder, Sumner Redstone, has voting control of Viacom through its beneficial ownership of our Class A common stock. In October 2009, NAI and its wholly-owned subsidiary NAIRI, Inc. converted a portion of their Class A voting common stock into Class B non-voting common stock and sold approximately \$603 million of Class B common stock in connection with meeting certain requirements under its restructured indebtedness. In 2008, NAI sold approximately \$114 million of Class B common stock. Although NAI has advised us that it does not currently intend to sell any additional shares, there can be no assurance that at some future time it will not sell additional shares of our stock, which could adversely affect the stock price.

Also as part of a restructuring of NAI’s indebtedness, in May 2009, NAI advised us that it had pledged substantially all of its assets, including the shares of our Class A Common Stock that it owns, to secure those obligations. That pledge remains in place. If NAI defaults on its remaining obligations and the creditors foreclose on the collateral, the creditors or anyone to whom the creditors transfer such shares could convert such shares of our Class A common stock into shares of our Class B common stock and sell such shares, which could adversely affect the stock price. Additionally, if the creditors foreclose on the pledged shares of our Class A common stock, NAI will no longer own those shares and will therefore no longer have voting control of us.

Through NAI’s Voting Control of Viacom and CBS Corporation, Certain Members of Management, Directors and Stockholders May Face Actual or Potential Conflicts of Interest, and NAI is in a Position to Control Actions that Require Stockholder Approval

Mr. Redstone, the controlling stockholder, Chairman and Chief Executive Officer of NAI, serves as our Executive Chairman and Founder. Shari Redstone, Mr. Redstone’s daughter, is the President and a director of NAI and serves as the non-executive Vice Chair of our Board of Directors. In addition, Philippe Dauman, our President and Chief Executive Officer, is a director of NAI, and George Abrams, one of our directors, is a

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director of NAI. NAI also controls CBS Corporation, with Mr. Redstone serving as its Executive Chairman and Ms. Redstone serving as its non-executive Vice Chair. Frederic Salerno, one of our directors, is also a director of CBS Corporation.

The NAI ownership structure and the common directors could create, or appear to create, potential conflicts of interest when the management, directors and controlling stockholder of the commonly controlled entities face decisions that could have different implications for each of us. For example, potential conflicts of interest could arise in connection with the resolution of any dispute between us and CBS Corporation. Potential conflicts of interest, or the appearance thereof, could also arise when we and CBS Corporation enter into any commercial arrangements with each other, despite review by our directors not affiliated with CBS Corporation. Our certificate of incorporation and the CBS Corporation certificate of incorporation both contain provisions related to corporate opportunities that may be of interest to us and to CBS Corporation, and these provisions create the possibility that a corporate opportunity of one company may be used for the benefit of the other company.

In addition, NAI's voting control of us allows it to control the outcome of corporate actions that require stockholder approval, including the election of directors and transactions involving a change in control. For so long as NAI retains voting control of us, our stockholders other than NAI will be unable to affect the outcome of our corporate actions. The interests of NAI may not be the same as the interests of our other stockholders, who must rely on our independent directors to represent their interests.

Since the fall of 2008, Mr. Dauman has recused himself from activity as an NAI board member with respect to all matters relating to the restructuring of NAI's indebtedness. In addition, NAI's board of directors has created a special committee that does not include Mr. Redstone or Mr. Dauman in order to consider issues that may be perceived to create a conflict between their responsibilities to Viacom and to NAI. Similarly, our Board of Directors has acted by independent directors when appropriate to address such issues.

We, NAI and CBS Corporation, and our Respective Businesses, Are Attributable to Each Other for Certain Regulatory Purposes Which May Limit Business Opportunities or Impose Additional Costs

So long as we, NAI and CBS Corporation are under common control, each company's businesses, as well as the businesses of any other commonly controlled company, may be attributable to the other companies for purposes of U.S. and non-U.S. antitrust rules and regulations, certain rules and regulations of the FCC and certain rules regarding political campaign contributions in the United States, among others. The businesses of each company may continue to be attributable to the other companies for FCC purposes even after the companies cease to be commonly controlled, if the companies share common officers, directors, or attributable stockholders. As a result, the businesses and conduct of any of these other companies may have the effect of limiting the activities or strategic business alternatives available to us, including limitations to which we contractually agreed in connection with the separation, or may impose additional costs on us.

Item 1B. Unresolved Staff Comments.

Not applicable.

Item 2. Properties.

In addition to the properties described below, we own and lease office, studio, production and warehouse space and broadcast, antenna and satellite transmission facilities throughout the United States and around the world for our businesses. We consider our properties adequate for our present needs.

Viacom

- Our world headquarters is located at 1515 Broadway, New York, New York, where we rent approximately 1.4 million square feet for executive, administrative and business offices for the Company and certain of our operating divisions. The lease runs through May 2015, with three renewal options based on market rates at the time of renewal for five years each thereafter.

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MTV Networks

- In addition to occupying space at 1515 Broadway in New York, MTV Networks leases the following major office facilities: (a) approximately 400,000 square feet at 345 Hudson Street, New York, New York, through 2022, (b) approximately 227,000 square feet at three facilities in Santa Monica, California, under leases that expire between 2011 and 2016, and (c) approximately 278,000 square feet at 1540 Broadway, New York, New York, through 2021. MTVN's Network Operation Center is located in Hauppauge, New York, and contains approximately 65,000 square feet of floor space on approximately 9 acres of land.
- The Nickelodeon Animation Studio in Burbank, California, contains approximately 118,000 square feet of studio and office space, under leases that expire between 2011 and 2013.
- CMT's headquarters are located in Nashville, Tennessee, where it occupies approximately 88,000 square feet of space for its executive, administrative and business offices and its studios.
- Internationally, MTVN occupies (i) approximately 84,000 square feet of space in Berlin through a lease expiring in 2017, (ii) approximately 80,000 square feet of space at its owned Hawley Crescent facility in London and (iii) approximately 54,000 square feet of office space leased at 180 Oxford Street in London through 2013.

BET Networks

- BET Networks' headquarters at One BET Plaza in Washington, D.C. contains approximately 192,000 square feet of office and studio space, the majority of which is leased through 2013 (with two 15-year renewal options) and the balance of which is owned.

Paramount

- Paramount owns the Paramount Pictures Studio situated at 5555 Melrose Avenue, Los Angeles, California, located on approximately 62 acres of land, and containing approximately 1.85 million square feet of floor space used for executive, administrative and business offices, sound stages, production facilities, theatres, equipment facilities and other ancillary uses.
- Paramount Pictures International's main offices are located in Chiswick, West London, where it leases approximately 51,000 square feet of space used for executive, administrative and business offices and a viewing cinema through 2017.

Item 3. Legal Proceedings.

Litigation is inherently uncertain and always difficult to predict. However, based on our understanding and evaluation of the relevant facts and circumstances, we believe that the legal matters described below and other litigation to which we are a party are not likely, in the aggregate, to have a material adverse effect on our results of operations, financial position or cash flows.

In March 2007, we filed a complaint in the United States District Court for the Southern District of New York against Google Inc. ("Google") and its wholly-owned subsidiary YouTube, alleging that Google and YouTube violated and continue to violate the Company's copyrights. We are seeking both damages and injunctive relief. In March 2010, we and Google filed motions for summary judgment, and in June 2010, Google's motion was granted. On August 11, 2010, we filed a notice of appeal to the U.S. Court of Appeals for the Second Circuit. We believe we have substantial grounds on which to appeal.

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In September 2007, Brantley, et al. v. NBC Universal, Inc., et al. was filed in the United States District Court for the Central District of California against us and several other program content providers on behalf of a purported nationwide class of cable and satellite subscribers. The plaintiffs also sued several major cable and satellite program distributors. Plaintiffs allege that separate contracts between the program providers and the cable and satellite operator defendants providing for the sale of programming in specific tiers each unreasonably restrain trade in a variety of markets in violation of the Sherman Act. In October 2009, the court dismissed, with prejudice, the plaintiff's third amended complaint. The plaintiffs appealed the dismissal. We believe the plaintiffs' position in this litigation is without merit and intend to continue to vigorously defend this lawsuit.

OUR EXECUTIVE OFFICERS

The following table sets forth the name, age and position of each person who serves as a Viacom executive officer.

<u>Name</u>	<u>Age</u>	<u>Position</u>
Sumner M. Redstone	87	Executive Chairman of the Board and Founder
James W. Barge	55	Executive Vice President, Chief Financial Officer
Philippe P. Dauman	56	President and Chief Executive Officer; Director
Thomas E. Dooley	54	Senior Executive Vice President and Chief Operating Officer; Director
Carl D. Folta	53	Executive Vice President, Corporate Communications
Michael D. Fricklas	50	Executive Vice President, General Counsel and Secretary
Katherine Gill-Charest	46	Senior Vice President, Controller
DeDe Lea	46	Executive Vice President, Government Relations
Denise White	56	Executive Vice President, Human Resources and Administration

Information about each person who serves as an executive officer of our company is set forth below.

Sumner M. Redstone	Mr. Redstone has been our Executive Chairman of the Board of Directors and Founder since January 1, 2006. He has also served as Executive Chairman and Founder of CBS Corporation since January 1, 2006. He was Chairman of the Board of Former Viacom beginning in 1987 and Chief Executive Officer of Former Viacom from 1996 to 2005. He has been Chairman of the Board of National Amusements, Inc., our controlling stockholder, since 1986, its Chief Executive Officer since 1967 and also served as its President from 1967 through 1999. Mr. Redstone served as the first Chairman of the Board of the National Association of Theatre Owners and is currently a member of its Executive Committee. He has been a frequent lecturer at universities, including Harvard Law School, Boston University Law School and Brandeis University. Mr. Redstone graduated from Harvard University in 1944 and received an LL.B. from Harvard University School of Law in 1947. 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. Redstone served in the Military Intelligence Division during World War II. While a student at Harvard, he was selected to join a special intelligence group whose mission was to break Japan's high-level military and diplomatic codes. Mr. Redstone received, among other honors, two commendations from the Military Intelligence Division in recognition of his service, contribution and devotion to duty, and the Army Commendation Award.
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James W. Barge	Mr. Barge has been our Executive Vice President, Chief Financial Officer since October 1, 2010. He served as our Executive Vice President, Tax and Treasury from January 2008 to September 2010 and as our Controller from March 2008 to September 2010. Prior to joining the Company, Mr. Barge served as Senior Vice President, Controller and principal accounting officer of Time Warner Inc. beginning in mid-2002. He previously held various financial positions with Time Warner Inc. since first joining the company in 1995. Mr. Barge is a member of the board of directors of Scholastic Corporation.
Philippe P. Dauman	Mr. Dauman has been our President and Chief Executive Officer since September 2006 and a member of our Board of Directors since January 1, 2006, having previously served as a director of Former Viacom since 1987. Mr. Dauman was Co-Chairman and Chief Executive Officer of DND Capital Partners, L.L.C., a private equity firm specializing in media and telecommunications investments that he co-founded with Mr. Dooley, from May 2000 until September 2006. Prior to that, Mr. Dauman held several positions at Former Viacom, which he first joined in 1993, including Deputy Chairman and member of its Executive Committee. Mr. Dauman is also a director of National Amusements, Inc. and has served as a director of Lafarge S.A. since 2007. He also served as a director of Lafarge North America from 1997 to 2006.
Thomas E. Dooley	Mr. Dooley has been our Senior Executive Vice President since September 2006, our Chief Operating Officer since May 2010 and a member of our Board of Directors since January 1, 2006. He served as our Chief Administrative Officer from September 2006 to May 2010 and as our Chief Financial Officer from January 2007 to September 2010. Mr. Dooley was Co-Chairman and Chief Executive Officer of DND Capital Partners, L.L.C., a private equity firm specializing in media and telecommunications investments that he co-founded with Mr. Dauman, from May 2000 until September 2006. Before that, Mr. Dooley held various corporate and divisional positions at Former Viacom, which he first joined in 1980, including Deputy Chairman and member of its Executive Committee. Mr. Dooley served as a director of Sapphire Industrials Corp. from 2007 to 2010 and LaBranche & Co Inc. from 2000 to 2007.
Carl D. Folta	Mr. Folta has been our Executive Vice President, Corporate Communications since November 2006. Prior to that, he had served as Executive Vice President, Office of the Chairman beginning January 1, 2006. He has served in senior communications positions with the Company since April 1994 and was appointed Executive Vice President, Corporate Relations, of Former Viacom in November 2004. Mr. Folta held various communications positions at Paramount Communications Inc., a predecessor, from 1984 to 1994.
Michael D. Fricklas	Mr. Fricklas has been our Executive Vice President, General Counsel and Secretary since January 1, 2006. Prior to that, he was Executive Vice President, General Counsel and Secretary of Former Viacom beginning in May 2000 and Senior Vice President, General Counsel and Secretary from October 1998 to May 2000. He first joined Former Viacom in July 1993, serving as Vice President and Deputy General Counsel and assuming the title of Senior Vice President in July 1994.

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Katherine Gill-Charest

Ms. Gill-Charest has been our Senior Vice President, Controller and Chief Accounting Officer since October 1, 2010. Prior to that, she was Senior Vice President, Deputy Controller beginning in April 2010 and Vice President, Deputy Controller from May 2007 to April 2010. Prior to joining Viacom, Ms. Gill-Charest served as Chief Accounting Officer of WPP Group USA from November 2005 to May 2007 and as its Vice President, Group Reporting from February 2001 to November 2005.

DeDe Lea

Ms. Lea has been our Executive Vice President, Government Relations since January 1, 2006. Previously, she was Executive Vice President, Government Relations of Former Viacom beginning in September 2005. Prior to that, she served as Vice President of Government Affairs at Belo Corp. from 2004 to 2005 and as Vice President, Government Affairs of Former Viacom from 1997 to 2004.

Denise White

Ms. White has been our Executive Vice President, Human Resources and Administration since October 2007. Previously, she was General Manager at Microsoft's Entertainment and Devices Division, having first joined Microsoft in 1990. Prior to Microsoft, Ms. White was a human resources leader with Pan American World Airways and owned a human resources consulting firm.

PART II**Item 5. Market for Viacom Inc.'s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.**

Our voting Class A common stock and non-voting Class B common stock are listed and traded on the New York Stock Exchange under the symbols "VIA" and "VIA.B", respectively.

The table below shows, for the periods indicated, the high and low sales prices per share of our Class A and Class B common stock as reported in Thomson Financial markets services.

	Sales Price	
	Low	High
Class A common stock - 2010		
3rd Quarter	\$34.09	\$40.96
2nd Quarter	\$34.55	\$41.79
1st Quarter	\$29.61	\$37.25
Class A common stock - 2009		
4th Quarter	\$28.62	\$33.14
3rd Quarter	\$21.31	\$30.99
2nd Quarter	\$18.36	\$25.49
1st Quarter	\$14.46	\$22.37
Class B common stock - 2010		
3rd Quarter	\$30.24	\$36.99
2nd Quarter	\$30.70	\$37.07
1st Quarter	\$27.89	\$34.78
Class B common stock - 2009		
4th Quarter	\$27.04	\$31.56
3rd Quarter	\$19.95	\$29.56
2nd Quarter	\$17.04	\$24.18
1st Quarter	\$13.25	\$20.80

On each of July 1 and October 1, 2010, we paid cash dividends of \$0.15 per share on our Class A and Class B common stock to stockholders of record at the close of business on June 21 and August 31, 2010, respectively.

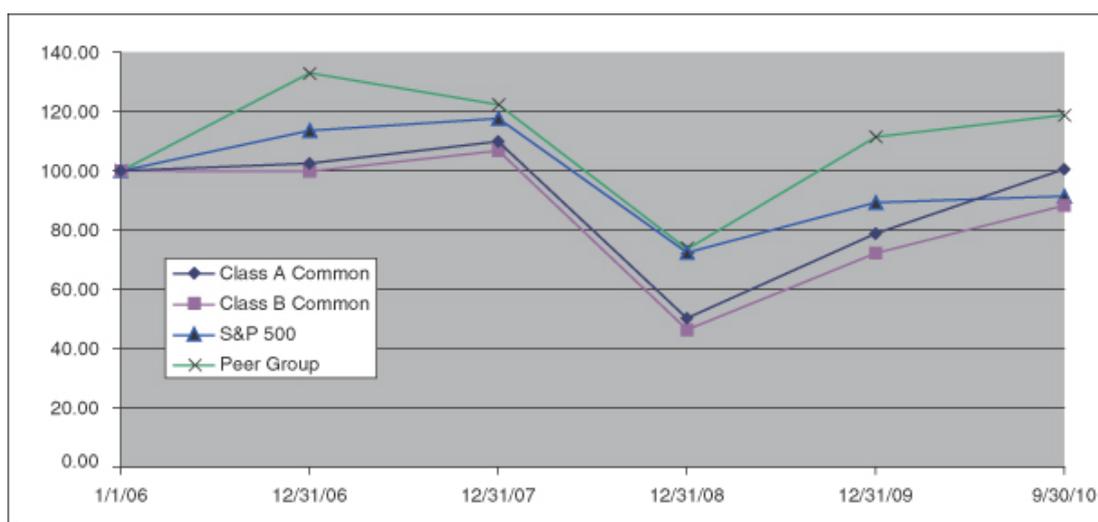
As of October 31, 2010, there were 2,044 record holders of our Class A common stock and 30,956 record holders of our Class B common stock.

Performance Graph

The following graph compares the cumulative total stockholder return of our Class A common stock and our Class B common stock with the cumulative total stockholder return of the companies listed in the Standard & Poor's 500 Index and a peer group of companies comprised of The Walt Disney Company, News Corporation, Time Warner Inc., CBS Corporation, Discovery Communications, Inc. and Scripps Network Interactive Inc.

The performance graph assumes \$100 invested on January 1, 2006 in each of our Class A common stock, our Class B common stock, the S&P 500 Index and the stock of our peer group companies, including reinvestment of dividends, for each calendar year in the period from January 1, 2006 through December 31, 2009 and for the nine months ended September 30, 2010.

**Total Cumulative Stockholder Return
for the Twelve Months Ended December 31, 2009, 2008, 2007 and 2006
and the Nine Months Ended September 30, 2010**



	1/1/06	12/31/06	12/31/07	12/31/08	12/31/09	9/30/10
Class A Common	100.00	102.53	109.95	50.30	78.75	100.60
Class B Common	100.00	99.71	106.73	46.32	72.25	88.31
S&P 500	100.00	113.62	117.63	72.36	89.33	91.42
Peer Group	100.00	132.98	122.24	73.53	111.37	118.82

Equity Compensation Plan Information

Information required by this item will be contained in the Proxy Statement for our 2011 Annual Meeting of Stockholders under the heading “Equity Compensation Plan Information,” which information is incorporated herein by reference.

Item 6. Selected Financial Data.

The selected Consolidated Statement of Earnings data for the nine months ended September 30, 2010 and the years ended December 31, 2009 and 2008 and the Consolidated Balance Sheet data as of September 30, 2010 and December 31, 2009 should be read in conjunction with the audited financial statements, “Management’s Discussion and Analysis of Results of Operations and Financial Condition” (“MD&A”) and other financial information presented elsewhere in this transition report. The selected Consolidated Statement of Earnings data for the years ended December 31, 2007 and 2006 and the Consolidated Balance Sheet data as of December 31, 2008, 2007 and 2006 have been derived from audited financial statements not included herein and, where applicable, such data was recast to reflect Harmonix as a discontinued operation.

CONSOLIDATED STATEMENT OF EARNINGS DATA

(in millions, except per share amounts)	Nine Months Ended September 30, 2010	Year Ended December 31,			
		2009	2008	2007	2006
Revenues	\$ 9,337	\$13,257	\$13,947	\$13,186	\$11,351
Operating income	\$ 2,207	\$ 3,045	\$ 2,562	\$ 2,895	\$ 2,761
Net earnings from continuing operations (Viacom and noncontrolling interests)	\$ 1,185	\$ 1,655	\$ 1,274	\$ 1,625	\$ 1,577
Net earnings from continuing operations attributable to Viacom	\$ 1,175	\$ 1,678	\$ 1,257	\$ 1,604	\$ 1,563
Net earnings from continuing operations per share attributable to Viacom:					
Basic	\$ 1.93	\$ 2.76	\$ 2.01	\$ 2.38	\$ 2.19
Diluted	\$ 1.92	\$ 2.76	\$ 2.01	\$ 2.37	\$ 2.18
Weighted average number of common shares outstanding:					
Basic	608.0	607.1	624.7	674.1	715.2
Diluted	610.7	608.3	625.4	675.6	716.2
Dividends declared per share of Class A and Class B common stock	\$ 0.30	-	-	-	-

CONSOLIDATED BALANCE SHEET DATA

(in millions)	September 30, 2010	December 31,			
		2009	2008	2007	2006
Total assets	\$ 22,096	\$21,900	\$22,487	\$22,904	\$21,797
Total debt	\$ 6,752	\$ 6,773	\$ 8,002	\$ 8,246	\$ 7,648
Total Viacom stockholders' equity	\$ 9,283	\$ 8,704	\$ 6,909	\$ 6,911	\$ 6,962
Total equity	\$ 9,259	\$ 8,677	\$ 6,923	\$ 6,919	\$ 6,967

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

Management's discussion and analysis of results of operations and financial condition is provided as a supplement to and should be read in conjunction with the consolidated financial statements and related notes to enhance the understanding of our results of operations, financial condition and cash flows. References in this document to "Viacom," "Company," "we," "us" and "our" mean Viacom Inc. and our consolidated subsidiaries through which our various businesses are conducted, unless the context requires otherwise. Certain amounts have been reclassified to conform to the 2010 presentation.

Significant components of the management's discussion and analysis of results of operations and financial condition section include:

	<u>Page</u>
• <i>Overview.</i> The overview section provides a summary of Viacom and our reportable business segments and the principal factors affecting our results of operations.	35
• <i>Results of Operations.</i> The results of operations section provides an analysis of our results on a consolidated basis and our reportable operating segment results for the nine months ended September 30, 2010 and 2009, and the years ended December 31, 2009 and 2008. In addition, we provide a discussion of items affecting the comparability of our financial statements.	38
• <i>Liquidity and Capital Resources.</i> The liquidity and capital resources section provides a discussion of our cash flows for the nine months ended September 30, 2010 and 2009, and the years ended December 31, 2009 and 2008 and of our outstanding debt and commitments existing as of September 30, 2010.	49
• <i>Market Risk.</i> We are principally exposed to market risk related to foreign currency exchange rates and interest rates. The market risk section discusses how we manage exposure to these and other market risks.	54
• <i>Critical Accounting Policies and Estimates.</i> The critical accounting policies section provides detail with respect to accounting policies that are considered by management to require significant judgment and use of estimates and that could have a significant impact on our financial statements.	55
• <i>Other Matters.</i> The other matters section provides a discussion of legal matters and related party transactions and agreements.	61

**Management's Discussion and Analysis
of Results of Operations and Financial Condition
(continued)**

OVERVIEW

Summary

We are a leading global entertainment content company, engaging audiences on television, motion picture, Internet and mobile platforms through many of the world's best known entertainment brands.

As previously announced, in 2010, we changed our fiscal year end to September 30 from December 31. We made this change to better align our financial reporting period, as well as our annual planning and budgeting process, with our business cycle, particularly the cable broadcast year. This Transition Report on Form 10-K reports our financial results for the nine-month period from January 1, 2010 through September 30, 2010, which we refer to as "fiscal year 2010". Our financial results for the comparable nine-month period ended September 30, 2009 have not been audited. Following fiscal year 2010, we will report on a twelve-month fiscal year beginning on October 1 and ending on September 30 of each year.

We manage our operations through two reporting segments: *Media Networks* and *Filmed Entertainment*. During 2010, we changed our measure of segment performance from operating income (loss) to adjusted operating income (loss) to more closely align with the way management reviews the results and assesses the performance of our segments. We define adjusted operating income (loss) for our segments as operating income (loss), less equity-based compensation and certain other items identified as affecting comparability, including restructuring and other charges, when applicable ("Factors Affecting Comparability"). Equity-based compensation is excluded from our segment measure of performance since it is set and approved by the Compensation Committee of Viacom's Board of Directors in consultation with corporate executive management, and is included as a component of consolidated adjusted operating income.

We use consolidated adjusted operating income, adjusted net earnings from continuing operations attributable to Viacom and adjusted diluted earnings per share ("EPS") from continuing operations, as applicable, among other measures, to evaluate our actual operating performance and for planning and forecasting of future periods. We believe that the adjusted results provide relevant and useful information for investors because they clarify our actual operating performance, make it easier to compare Viacom's results with those of other companies and allow investors to review performance in the same way as our management. Since these are not measures of performance calculated in accordance with generally accepted accounting principles ("GAAP"), they should not be considered in isolation of, or as a substitute for operating income, net earnings from continuing operations attributable to Viacom and diluted EPS as indicators of operating performance and they may not be comparable to similarly titled measures employed by other companies. For a reconciliation of our adjusted measures and discussion of the items affecting comparability refer to the section entitled "Factors Affecting Comparability".

Media Networks

Our *Media Networks* segment, which includes brands such as MTV, VH1, CMT, PalladiaHD, Logo, Nickelodeon, Nick at Nite, Nick Jr., TeenNick, Nicktoons, Neopets, COMEDY CENTRAL, Spike TV, TV Land, Atom, BET, CENTRIC, AddictingGames, and Shockwave, provides entertainment content for consumers in key demographics attractive to advertisers, content distributors and retailers. We create and acquire programming and other content for distribution to our audiences how and where they want to view and interact with it: on television, the Internet and mobile devices and through a variety of consumer products and themed entertainment.

**Management's Discussion and Analysis
of Results of Operations and Financial Condition
(continued)**

In September 2010, our Board of Directors authorized management to proceed with a sale of our Harmonix business ("Harmonix"), which develops music-based games, including the *Rock Band* franchise. We are actively marketing Harmonix for sale and are committed to a plan that we believe will result in the sale of the business within twelve months. Accordingly, the results of operations of Harmonix, which were previously included in the *Media Networks* segment are presented as discontinued operations in all periods presented.

Our *Media Networks* segment generates revenues principally in three categories: (i) the sale of advertising time on our program services and digital properties, (ii) affiliate fees from cable television operators, direct-to-home satellite operators, mobile networks and other content distributors and (iii) ancillary revenues, which include home entertainment sales of our programming, the licensing of our content to third parties and the licensing of our brands and properties for consumer products.

Our advertising revenues may be affected by the strength of the advertising market and general economic conditions, and may fluctuate depending on the success of our programming at any given time. Advertising revenues may also fluctuate due to seasonal variations, typically being highest in the fourth quarter of the calendar year, which is the first quarter of our new fiscal year.

Revenues from affiliate fees are negotiated with cable television and direct-to-home satellite operators, mobile networks and other distributors, generally resulting in multi-year carriage agreements with set rate increases that provide us with a reasonably stable source of revenues. The amount of the fees we receive is generally a function of the number of subscribers and the rates we receive per subscriber.

Our ancillary revenues are principally derived from content licensing and licensing for consumer products, including licensing of popular characters from our programs, and sales of home entertainment products. Our ancillary revenues may vary based on consumer spending, the popularity of our programming and other content during a particular period and acceptance of our or our partners' products.

Media Networks segment expenses consist of operating expenses, selling, general and administrative ("SG&A") expenses and depreciation and amortization. Operating expenses comprise costs related to original and acquired programming, including programming amortization, expenses associated with the manufacturing and distribution of home entertainment products and consumer products licensing and participation fees. SG&A expenses consist primarily of employee compensation, marketing, research and professional service fees and facility and occupancy costs. Depreciation and amortization expenses reflect depreciation of fixed assets, including transponders financed under capital leases, and amortization of finite-lived intangible assets.

Filmed Entertainment

Our *Filmed Entertainment* segment produces, finances and distributes motion pictures under the Paramount Pictures, Paramount Vantage, Paramount Classics, MTV Films, and Nickelodeon Movies brands. Paramount also acquires films for distribution and has distribution relationships with DreamWorks Animation SKG, Inc. ("DreamWorks Animation") and MVL Productions LLC ("Marvel"), a subsidiary of The Walt Disney Company ("Disney").

In general, motion pictures produced, acquired and/or distributed by our *Filmed Entertainment* segment are exhibited theatrically domestically and internationally, followed by their release in various windows on DVD and Blu-ray, video-on-demand, subscription video-on-demand, pay and basic cable television, broadcast television and syndicated television, digital media outlets, and, in some cases, by other exhibitors such as airlines and hotels (the "distribution windows"). In fiscal year 2010, the *Filmed Entertainment* segment theatrically released in

**Management's Discussion and Analysis
of Results of Operations and Financial Condition
(continued)**

domestic and/or international markets *The Last Airbender*, *Shutter Island* and *Dinner for Schmucks*, among others. Paramount also distributed Marvel's *Iron Man 2* and DreamWorks Animation's *Shrek Forever After* and *How to Train Your Dragon*.

The output term of Paramount's agreement with DreamWorks Animation expires on the later of the delivery of 13 qualified animated motion pictures and December 31, 2012, subject to earlier termination under certain limited circumstances. Paramount has distributed nine DreamWorks Animation films under the DreamWorks Animation Agreement and expects to distribute two more in fiscal year 2011.

In October 2010, Paramount and Marvel amended the arrangements under which Paramount distributes certain of Marvel's self-produced feature films on a worldwide basis. Paramount transferred to Marvel substantially all of its worldwide distribution rights to *The Avengers* and *Iron Man 3*, in exchange for aggregate minimum guaranteed payments to Paramount of \$115 million and the right for Paramount to receive certain contingent consideration. Paramount retains its distribution rights to the upcoming films, *Thor* and *The First Avenger: Captain America* and continues to distribute the previously released films, *Iron Man* and *Iron Man 2*.

Our *Filmed Entertainment* segment generates revenues worldwide principally from: (i) the theatrical release and/or distribution of motion pictures, (ii) home entertainment, which includes sales of DVDs, Blu-ray and other products relating to the motion pictures we release theatrically and direct-to-DVD, as well as certain other programming, including content we distribute on behalf of third parties, and (iii) license fees paid worldwide by third parties for exhibition rights during the various other distribution windows and through digital media outlets. The *Filmed Entertainment* segment also generates ancillary revenues from providing production services to third parties, primarily at Paramount's studio lot, consumer products licensing, game distribution and distribution of its content on digital platforms.

Revenues from motion picture theatrical releases tend to be cyclical with increases during the summer months, around holidays and in the first quarter of our new fiscal year. In choosing films to produce, we aim to create a carefully balanced film slate that represents a variety of genres, styles, and levels of investment and risk—with the goal of creating entertainment for both niche audiences and worldwide appeal. Paramount is focused on continuing to improve the profitability of its film slate by focusing on key tentpole films mixed with smaller productions or acquisitions. Paramount is also capitalizing on synergies from *Media Networks* branded films, potential film acquisition, production and remake opportunities internationally, and increasing diversification of revenue streams. The theatrical success of a motion picture is a significant factor in determining the revenues it is likely to generate in home entertainment sales and licensing fees during the various other distribution windows. Our home entertainment revenues may also be affected by consumer tastes and consumption habits, as well as overall economic conditions.

The *Filmed Entertainment* segment has been affected by softness in the DVD market. We continue to focus on improving our inventory and supply chain management by reducing initial shipments on home entertainment new releases, as well as implementing other promotional and operating strategic initiatives including the reduction in the number of catalog titles in active retail distribution. The reduction in gross shipments has resulted in a corresponding reduction in the amount of estimated returns.

Filmed Entertainment segment expenses consist of operating expenses, SG&A expenses and depreciation and amortization. Operating expenses principally include the amortization of production costs of our released feature films (including participations accrued under our third-party distribution arrangements), print and advertising expenses and other distribution costs. We incur marketing costs before and throughout the theatrical release of a film and, to a lesser extent, other distribution windows. Such costs are incurred to generate public interest in our films and are expensed as incurred; therefore, we typically incur losses with respect to a particular film prior to

**Management's Discussion and Analysis
of Results of Operations and Financial Condition
(continued)**

and during the film's theatrical exhibition and profitability may not be realized until well after a film's theatrical release. Therefore, the results of the *Filmed Entertainment* segment can be volatile as films work their way through the various distribution windows. SG&A expenses include employee compensation, facility and occupancy costs, professional service fees and other overhead costs. Depreciation and amortization expense includes depreciation of fixed assets and amortization of finite-lived intangible assets.

RESULTS OF OPERATIONS

Nine Months ended September 30, 2010 vs. 2009

Consolidated Results of Operations

Our summary consolidated results of operations are presented below for the nine months ended September 30, 2010 and 2009.

Consolidated Results of Operations (in millions)	Nine Months Ended September, 30		Better/(Worse)	
	2010	2009	\$	%
Revenues	\$ 9,337	\$ 9,238	\$ 99	1%
Operating income	2,207	1,904	303	16
Adjusted operating income	2,207	1,937	270	14
Net earnings from continuing operations attributable to Viacom	1,175	954	221	23
Adjusted net earnings from continuing operations attributable to Viacom	1,148	953	195	20
Diluted EPS from continuing operations	1.92	1.57	0.35	22
Adjusted diluted EPS from continuing operations	\$ 1.88	\$ 1.57	\$ 0.31	20%

See the section entitled "*Factors Affecting Comparability*" for a reconciliation of our adjusted measures to our reported results.

Revenues

Worldwide revenues increased \$99 million, or 1%, to \$9.337 billion in the nine months ended September 30, 2010 driven by an increase at *Media Networks* of \$405 million, principally reflecting higher affiliate fees and advertising revenues. *Filmed Entertainment* revenues decreased \$329 million, principally reflecting lower home entertainment revenues, partially offset by higher theatrical revenues. The decrease in home entertainment revenues principally reflects fewer releases as compared with the prior year and lower catalog sales. The increase in theatrical revenues reflects the strength of our current year releases.

Operating Income

Adjusted operating income increased \$270 million, or 14%, to \$2.207 billion in the nine months ended September 30, 2010. *Media Networks* contributed \$192 million of the increase, principally reflecting the increased revenues, partially offset by our continuing investment in programming. *Filmed Entertainment's* adjusted operating income was \$38 million, compared with a \$56 million operating loss in the comparable period of 2009, principally reflecting the improved profitability of our current year releases. Operating income increased \$303 million, or 16%.

See the section entitled "*Segment Results of Operations*" for a more in-depth discussion of the revenues, expenses and adjusted operating income (loss) for each of the *Media Networks* and *Filmed Entertainment* segments.

**Management's Discussion and Analysis
of Results of Operations and Financial Condition
(continued)**

Net Earnings from Continuing Operations Attributable to Viacom

Adjusted net earnings from continuing operations attributable to Viacom increased \$195 million, or 20%, in the nine months ended September 30, 2010, principally due to the increase in tax-effected adjusted operating income described above and lower foreign exchange losses, which are included in *Other items, net*. Adjusted diluted EPS from continuing operations increased \$0.31 per diluted share to \$1.88.

Adjusted results exclude the impact of certain items identified as affecting comparability, including discrete tax benefits in both periods and restructuring charges and a loss on extinguishment of debt in 2009. See section entitled "*Factors Affecting Comparability*" for a reconciliation of our adjusted measures to our reported results. Net earnings from continuing operations attributable to Viacom increased \$221 million, or 23%, in the nine months ended September 30, 2010. Diluted EPS from continuing operations increased \$0.35 per diluted share to \$1.92.

Discontinued Operations, Net of Tax

The loss from discontinued operations, net of tax was \$321 million and \$37 million in the nine months ended September 30, 2010 and 2009, respectively. The loss in 2010 principally reflects a \$230 million impairment loss on Harmonix goodwill and other charges of approximately \$30 million, principally related to unamortized development costs and other assets associated with legacy versions of the *Rock Band* game.

Segment Results of Operations

Segment operating expenses, selling, general and administrative expenses and depreciation and amortization exclude items identified as affecting comparability, including restructuring and other charges, when applicable. For a discussion of these items refer to the section entitled "*Factors Affecting Comparability*".

Transactions between reportable segments are accounted for as third-party arrangements for the purpose of presenting segment results of operations. Typical intersegment transactions include the purchase of advertising by the *Filmed Entertainment* segment on *Media Networks'* properties and the purchase of *Filmed Entertainment's* feature films exhibition rights by *Media Networks*.

Media Networks

(in millions)	Nine Months Ended September 30,		Better/(Worse)	
	2010	2009	\$	%
Revenues by Component				
Advertising	\$ 3,251	\$ 3,103	\$ 148	5%
Affiliate fees	2,372	2,160	212	10
Ancillary	454	409	45	11
Total revenues by component	\$ 6,077	\$ 5,672	\$ 405	7%
Expenses				
Operating	\$ 2,097	\$ 1,964	\$ (133)	(7)%
Selling, general and administrative	1,433	1,350	(83)	(6)
Depreciation and amortization	148	151	3	2
Total expenses	\$ 3,678	\$ 3,465	\$ (213)	(6)%
Adjusted Operating Income	\$ 2,399	\$ 2,207	\$ 192	9%

Revenues

Worldwide revenues increased \$405 million, or 7%, to \$6.077 billion in the nine months ended September 30, 2010, primarily driven by increases in affiliate and advertising revenues. Domestic revenues were \$5.194 billion

**Management's Discussion and Analysis
of Results of Operations and Financial Condition
(continued)**

in the nine months ended September 30, 2010, an increase of \$321 million, or 7%. International revenues were \$883 million in the nine months ended September 30, 2010, an increase of \$84 million, or 11%. Foreign exchange had an insignificant impact on international revenues.

Advertising

Worldwide advertising revenues increased \$148 million, or 5%, to \$3.251 billion in the nine months ended September 30, 2010, reflecting strength in the global advertising market compared with the prior year. Domestic advertising revenues increased 5% reflecting a strong scatter market, partially offset by the effect of the weaker upfront sales completed in 2009. International advertising revenues increased 7%, with a 1-percentage point unfavorable impact from foreign exchange on international growth.

Affiliate Fees

Worldwide affiliate fees increased \$212 million, or 10%, to \$2.372 billion in the nine months ended September 30, 2010, principally due to rate and subscriber growth. Domestic affiliate revenues increased 10% and international affiliate revenues increased 7%, with foreign exchange contributing 1 percentage point to international growth.

Ancillary

Worldwide ancillary revenues increased \$45 million, or 11%, to \$454 million in the nine months ended September 30, 2010. Domestic ancillary revenues increased 2%, principally driven by growth in online content licensing fees. International ancillary revenues increased 27%, reflecting growth in consumer products revenues and television license fees.

Expenses

Media Networks segment expenses increased \$213 million, or 6%, to \$3.678 billion in the nine months ended September 30, 2010, driven by higher programming costs, reflecting our continuing investment in programming, and incentive compensation costs.

Operating

Operating expenses increased \$133 million, or 7%, to \$2.097 billion for the nine months ended September 30, 2010. Production and programming expenses increased \$136 million, or 8%, reflecting our continuing investment in programming. Distribution and other expenses decreased \$3 million, or 1%.

Selling, General and Administrative

SG&A increased \$83 million, or 6%, to \$1.433 billion in the nine months ended September 30, 2010, principally due to higher incentive compensation costs, partially offset by lower bad debt expenses.

Adjusted Operating Income

Adjusted operating income increased \$192 million, or 9%, to \$2.399 billion for the nine months September 30, 2010, principally reflecting the revenue growth, partially offset by our continuing investment in programming and higher incentive compensation costs.

**Management's Discussion and Analysis
of Results of Operations and Financial Condition
(continued)**

Filmed Entertainment

(in millions)	Nine Months Ended September 30,		Better/(Worse)	
	2010	2009	\$	%
Revenues by Component				
Theatrical	\$ 1,283	\$ 1,228	\$ 55	4%
Home entertainment	951	1,356	(405)	(30)
Television license fees	938	938	-	-
Ancillary	190	169	21	12
Total revenues by component	<u>\$ 3,362</u>	<u>\$ 3,691</u>	<u>\$ (329)</u>	<u>(9)%</u>
Expenses				
Operating	\$ 2,888	\$ 3,346	\$ 458	14%
Selling, general & administrative	367	326	(41)	(13)
Depreciation & amortization	69	75	6	8
Total expenses	<u>\$ 3,324</u>	<u>\$ 3,747</u>	<u>\$ 423</u>	<u>11%</u>
Adjusted Operating Income (Loss)	<u>\$ 38</u>	<u>\$ (56)</u>	<u>\$ 94</u>	<u>NM</u>

NM – Not Meaningful

Revenues

Worldwide revenues decreased \$329 million, or 9%, to \$3.362 billion in the nine months ended September 30, 2010, driven by a decline in home entertainment revenues, partially offset by higher theatrical revenues. Domestic revenues were \$1.598 billion in the nine months ended September 30, 2010, a decline of \$328 million, or 17%. International revenues were substantially flat at \$1.764 billion in the nine months ended September 30, 2010, with a 3-percentage point favorable impact from foreign exchange on international revenues.

Theatrical

Worldwide theatrical revenues increased \$55 million, or 4%, to \$1.283 billion in the nine months ended September 30, 2010, principally driven by the strength of our current year releases. During the nine months ended September 30, 2010, we released nine films, including *Shrek Forever After*, *Iron Man 2*, *How to Train Your Dragon*, *The Last Airbender* and *Shutter Island*, as compared to thirteen films in the prior year. Domestic theatrical revenues decreased 11% reflecting the particularly strong domestic performance of *Transformers: Revenge of the Fallen* and *Star Trek* in 2009, while international theatrical revenues increased 23%. Foreign exchange had a 5-percentage point favorable impact on international theatrical revenues.

Home Entertainment

Worldwide home entertainment revenues decreased \$405 million, or 30%, to \$951 million in the nine months ended September 30, 2010. The decrease principally reflects fewer releases as compared with the prior year. During the nine months ended September 30, 2010, we released five titles, including *Iron Man 2* and *Shutter Island*, as compared to twelve titles in the nine months ended September 30, 2009. Also contributing to the decline were lower catalog sales and lower revenues from other third-party distribution arrangements. Domestic and international home entertainment revenues decreased 32% and 28%, respectively, with a 3-percentage point favorable impact from foreign exchange on international home entertainment revenues.

Television License Fees

Worldwide television license fees were flat at \$938 million in the nine months ended September 30, 2010, with an increase in syndication revenues offset by a decrease in pay and network TV revenues reflecting the number and mix of available titles in each window.

**Management's Discussion and Analysis
of Results of Operations and Financial Condition
(continued)**

Ancillary

Ancillary revenues increased \$21 million, or 12%, to \$190 million for the nine months ended September 30, 2010, principally due to higher digital revenues.

Expenses

Filmed Entertainment segment expenses decreased \$423 million, or 11%, to \$3.324 billion in the nine months ended September 30, 2010. The reduction in total expenses is principally due to fewer theatrical and home entertainment releases.

Operating

Operating expenses decreased \$458 million, or 14%, to \$2.888 billion in the nine months ended September 30, 2010. Distribution and other costs, principally print and advertising expenses, decreased by \$333 million, or 20%, primarily related to the fewer number of theatrical and home entertainment releases as well as cost savings initiatives. Film costs declined \$125 million, or 7%, primarily reflecting lower amortization of film costs due to the number and mix of current releases.

Selling, General and Administrative

SG&A increased \$41 million, or 13%, to \$367 million in the nine months ended September 30, 2010, principally driven by the timing of incentive compensation costs and severance costs associated with headcount reductions.

Adjusted Operating Income

Adjusted operating income was \$38 million in the nine months ended September 30, 2010 compared with an adjusted operating loss of \$56 million in the comparable period of 2009, principally reflecting the improved profitability of our current year releases.

Year ended December 31, 2009 vs. 2008**Consolidated Results of Operations**

Our summary consolidated results of operations are presented below for the years ended December 31, 2009 and 2008.

Consolidated Results of Operations (in millions)	Year Ended December 31,		Better/(Worse)	
	2009	2008	\$	%
Revenues	\$ 13,257	\$ 13,947	\$ (690)	(5)%
Operating income	3,045	2,562	483	19
Adjusted operating income	3,138	3,016	122	4
Net earnings from continuing operations attributable to Viacom	1,678	1,257	421	33
Adjusted net earnings from continuing operations attributable to Viacom	1,646	1,515	131	9
Diluted EPS from continuing operations	2.76	2.01	0.75	37
Adjusted diluted EPS from continuing operations	\$ 2.71	\$ 2.42	\$ 0.29	12%

See the section entitled "Factors Affecting Comparability" for a reconciliation of our adjusted measures to our reported results.

Revenues

Worldwide revenues for the year ended December 31, 2009 decreased \$690 million, or 5%, to \$13.257 billion. *Filmed Entertainment* contributed \$551 million of the decrease primarily driven by declines in theatrical and home entertainment revenues, partially offset by an increase in television and ancillary revenues. The decrease in

**Management's Discussion and Analysis
of Results of Operations and Financial Condition
(continued)**

feature film revenues reflects fewer films released in 2009 as compared to 2008 and the decrease in home entertainment revenues principally results from the number and mix of titles released in 2009 compared to 2008. *Media Networks* contributed \$152 million of the decrease reflecting declines in advertising and ancillary revenues, partially offset by an increase in affiliate fees.

Operating Income

Adjusted operating income increased \$122 million, or 4%, to \$3.138 billion in 2009 driven by a \$144 million increase at *Filmed Entertainment*, partially offset by an \$8 million decrease at *Media Networks*. The increase at *Filmed Entertainment* principally reflects the success of certain 2009 releases, including *Transformers: Revenge of the Fallen*, *Star Trek* and *Paranormal Activity*, partially offset by fewer distributed films. The decrease at *Media Networks* principally reflects lower advertising revenues, partially offset by an increase in affiliate revenues. Both segments benefited from lower costs in 2009 as a result of restructurings and other cost savings initiatives. Operating income increased \$483 million, or 19%, to \$3.045 billion in 2009 reflecting lower restructuring and other charges as discussed in "*Factors Affecting Comparability*".

See the section entitled "*Segment Results of Operations*" for a more in depth discussion of the revenues, expenses and operating income for each of the *Media Networks* and *Filmed Entertainment* segments.

Net Earnings from Continuing Operations Attributable to Viacom

Adjusted net earnings from continuing operations attributable to Viacom increased \$131 million, or 9%, in 2009 reflecting the increase in tax-effected adjusted operating income, a decrease in *Interest expense, net* due to lower average debt outstanding, and lower foreign exchange losses and costs associated with our receivables securitization programs, both of which are included in *Other items, net*. Adjusted diluted EPS from continuing operations increased \$0.29 per diluted share from \$2.42 in 2008 to \$2.71 in 2009.

Adjusted results exclude the impact of certain items identified as affecting comparability, including a loss on extinguishment of debt in 2009, investment impairments in 2008, and restructuring and other charges and discrete tax benefits in both periods. See the section entitled "*Factors Affecting Comparability*" for a reconciliation of our adjusted measures to our reported results. Net earnings from continuing operations attributable to Viacom increased \$421 million, or 33%, in 2009. Diluted EPS from continuing operations increased \$0.75 per diluted share from \$2.01 in 2008 to \$2.76 in 2009.

Discontinued Operations, Net of Tax

The loss from discontinued operations, net of tax was \$67 million and \$6 million in the year ended December, 2009 and 2008, respectively, principally reflecting losses related to Harmonix.

**Management's Discussion and Analysis
of Results of Operations and Financial Condition
(continued)**

Segment Results of Operations
Media Networks

(in millions)	Year Ended December 31,		Better/(Worse)	
	2009	2008	\$	%
Revenues by Component				
Advertising	\$ 4,405	\$ 4,722	\$ (317)	(7)%
Affiliate fees	2,901	2,620	281	11
Ancillary	620	736	(116)	(16)
Total revenues by component	<u>\$ 7,926</u>	<u>\$ 8,078</u>	<u>\$ (152)</u>	<u>(2)%</u>
Expenses				
Operating	\$ 2,689	\$ 2,670	\$ (19)	(1)%
Selling, general and administrative	1,844	1,986	142	7
Depreciation and amortization	204	225	21	9
Total expenses	<u>\$ 4,737</u>	<u>\$ 4,881</u>	<u>\$ 144</u>	<u>3%</u>
Adjusted Operating Income	<u>\$ 3,189</u>	<u>\$ 3,197</u>	<u>\$ (8)</u>	<u>NM</u>

NM - Not Meaningful

Revenues

Worldwide revenues decreased \$152 million, or 2%, to \$7.926 billion in 2009. Declines in advertising and ancillary revenues were partially offset by an increase in affiliate fees. Domestic revenues decreased to \$6.705 billion, a decline of \$14 million. International revenues decreased to \$1.221 billion, a decline of \$138 million, or 10%, including a 5-percentage point negative impact from foreign exchange.

Advertising

Worldwide advertising revenues decreased \$317 million, or 7%, to \$4.405 billion in 2009. Domestic advertising revenue decreased 6%, while international advertising revenues decreased 14%, with foreign exchange negatively impacting international growth by 5 percentage points. In 2009, global economic conditions had a negative impact on the advertising market and our revenues, although the advertising market strengthened in the second half of 2009.

Affiliate Fees

Worldwide affiliate fees increased \$281 million, or 11%, to \$2.901 billion in 2009. Domestic affiliate fees increased 12% and international affiliate fees increased 3%, principally due to rate and subscriber growth. International affiliate revenues include 8 percentage points of negative impact from foreign exchange.

Ancillary

Worldwide ancillary revenues decreased \$116 million, or 16%, to \$620 million in 2009. The decrease is primarily driven by lower home entertainment and consumer products revenues. Domestic and international ancillary revenues declined 12% and 22%, respectively. International ancillary revenues also included a 2-percentage point negative impact from foreign exchange.

Expenses

Media Networks segment expenses decreased \$144 million, or 3%, to \$4.737 billion in 2009. The reduction in total expenses includes lower employee compensation and other cost benefits principally resulting from the actions taken in connection with restructurings and other initiatives. These decreases were partially offset by costs related to our continued investment in programming.

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Operating

Operating expenses increased \$19 million, or 1%, to \$2.689 billion in 2009. Production and programming costs increased \$60 million, or 3%, primarily reflecting an increase in costs of \$139 million, or 6%, due to our continued investment in programming, partially offset by \$79 million of savings attributable to programming abandonments taken in connection with our fourth quarter 2008 restructuring. Distribution and other expenses decreased \$41 million, or 11%.

Selling, General and Administrative

SG&A decreased \$142 million, or 7%, to \$1.844 billion in 2009, principally due to lower employee compensation costs and other cost savings initiatives, principally resulting from the 2008 restructuring action described in the "Factors Affecting Comparability" section.

Depreciation and Amortization

Depreciation and amortization decreased \$21 million, or 9%, to \$204 million in 2009, due to lower capital lease depreciation expense and lower overall capital spending.

Adjusted Operating Income

Adjusted operating income decreased \$8 million to \$3.189 billion in 2009. The decrease principally reflects lower advertising and ancillary revenues, partially offset by higher affiliate revenues and the cost savings from restructurings.

Filmed Entertainment

	Year Ended December 31,		Better/(Worse)	
	2009	2008	\$	%
Revenues by Component				
Theatrical	\$ 1,321	\$ 1,714	\$ (393)	(23)%
Home entertainment	2,501	2,724	(223)	(8)
Television license fees	1,383	1,333	50	4
Ancillary	277	262	15	6
Total revenues by component	<u>\$ 5,482</u>	<u>\$ 6,033</u>	<u>\$ (551)</u>	<u>(9)%</u>
Expenses				
Operating	\$ 4,652	\$ 5,344	\$ 692	13%
Selling, general & administrative	479	479	-	-
Depreciation & amortization	105	108	3	3
Total expenses	<u>\$ 5,236</u>	<u>\$ 5,931</u>	<u>\$ 695</u>	<u>12%</u>
Adjusted Operating Income	<u>\$ 246</u>	<u>\$ 102</u>	<u>\$ 144</u>	<u>NM</u>

NM - Not Meaningful

Revenues

Worldwide revenues decreased \$551 million, or 9%, to \$5.482 billion in 2009. Declines in theatrical and home entertainment revenues were partially offset by an increase in television and ancillary revenues. Domestic revenues decreased to \$2.942 billion, a decline of \$300 million, or 9%. International revenues decreased to \$2.54 billion, a decline of \$251 million, or 9%, including a 5-percentage point negative impact from foreign exchange.

Theatrical

Worldwide theatrical revenues decreased \$393 million, or 23%, to \$1.321 billion in 2009, principally driven by a smaller slate of films. During 2009, we released 20 films, including *Transformers: Revenge of the Fallen*, *Star Trek*, *G.I. Joe: The Rise of Cobra*, *Paranormal Activity* and DreamWorks Animation's *Monsters vs. Aliens* compared to 24 films released in 2008, which included *Indiana Jones and the Kingdom of the Crystal Skull*,

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Marvel's *Iron Man* and DreamWorks Animation's *Kung Fu Panda* and *Madagascar 2: Escape to Africa*. Domestic theatrical revenues decreased 8%, and international theatrical revenues decreased 36%. Foreign exchange had a 9-percentage point negative impact on international theatrical revenues.

Home Entertainment

Worldwide home entertainment revenues decreased \$223 million, or 8%, to \$2.501 billion in 2009. Decreased revenues principally reflect the number and mix of titles released in 2009 versus 2008. Domestic and international home entertainment revenues decreased 12% and 3%, respectively, with a 3-percentage point negative impact from foreign exchange on international revenues. The DVD market continued to be negatively affected by global economic conditions throughout most of 2009, with strengthening seen in the fourth quarter relative to our major release titles.

Television License Fees

Worldwide television license fees increased \$50 million, or 4%, to \$1.383 billion in 2009, principally reflecting higher Pay TV fees driven by the number and mix of available titles.

Ancillary

Ancillary revenues increased \$15 million, or 6%, to \$277 million in 2009 due to higher digital and merchandising revenues.

Expenses

Filmed Entertainment segment expenses decreased \$695 million, or 12%, to \$5.236 billion in 2009. The reduction in total expenses principally reflects our reduced film slate and lower costs associated with third party distribution agreements.

Operating

Operating expenses decreased \$692 million, or 13%, to \$4.652 billion in 2009. Distribution and other expenses decreased \$487 million, or 19%, primarily related to the reduced number of theatrical releases, lower home entertainment expenses and cost savings initiatives. Film costs decreased \$205 million, or 7%. The decrease was primarily due to lower participation costs associated with third party distribution arrangements, partially offset by higher amortization of certain film costs.

Selling, General and Administrative

SG&A was substantially flat at \$479 million in 2009. The benefits from our cost savings initiatives contributed to containing SG&A costs.

Depreciation and Amortization

Depreciation and amortization decreased \$3 million, or 3%, to \$105 million in 2009.

Adjusted Operating Income

Adjusted operating income increased \$144 million to \$246 million in 2009. The increase principally reflects the success of certain 2009 releases, including *Transformers: Revenge of the Fallen*, *Star Trek* and *Paranormal Activity* and cost savings from restructurings and other initiatives, partially offset by fewer distributed films.

FACTORS AFFECTING COMPARABILITY

The consolidated financial statements as of and for the nine months ended September 30, 2010 and 2009 and the years ended December 31, 2009 and 2008 reflect our results of operations, financial position and cash flows reported in accordance with U.S. GAAP. Results for the aforementioned periods, as discussed in the section entitled "Overview", have been affected by certain items identified as affecting comparability.

**Management's Discussion and Analysis
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The following tables reconcile our adjusted measures to our reported results for the nine months ended September 30, 2010 and 2009 and the years ended December 31, 2009 and 2008.

(in millions, except per share amounts)	Nine Months Ended September 30, 2010			
	Operating Income	Pre-tax Earnings from Continuing Operations	Net Earnings from Continuing Operations Attributable to Viacom*	Diluted EPS from Continuing Operations
Reported results	\$ 2,207	\$ 1,812	\$ 1,175	\$ 1.92
Factors Affecting Comparability:				
Discrete tax benefits	-	-	(27)	(0.04)
Adjusted results	<u>\$ 2,207</u>	<u>\$ 1,812</u>	<u>\$ 1,148</u>	<u>\$ 1.88</u>

(in millions, except per share amounts)	Nine Months Ended September 30, 2009			
	Operating Income	Pre-tax Earnings from Continuing Operations	Net Earnings from Continuing Operations Attributable to Viacom*	Diluted EPS from Continuing Operations
Reported results	\$ 1,904	\$ 1,391	\$ 954	\$ 1.57
Factors Affecting Comparability:				
Restructuring charges	33	33	21	0.03
Extinguishment of debt	-	84	52	0.09
Discrete tax benefits	-	-	(74)	(0.12)
Adjusted results	<u>\$ 1,937</u>	<u>\$ 1,508</u>	<u>\$ 953</u>	<u>\$ 1.57</u>

(in millions, except per share amounts)	Year Ended December 31, 2009			
	Operating Income	Pre-tax Earnings from Continuing Operations	Net Earnings from Continuing Operations Attributable to Viacom*	Diluted EPS from Continuing Operations
Reported results	\$ 3,045	\$ 2,417	\$ 1,678	\$ 2.76
Factors Affecting Comparability:				
Restructuring and other charges	93	93	40	0.06
Extinguishment of debt	-	84	52	0.09
Discrete tax benefits	-	-	(124)	(0.20)
Adjusted results	<u>\$ 3,138</u>	<u>\$ 2,594</u>	<u>\$ 1,646</u>	<u>\$ 2.71</u>

(in millions, except per share amounts)	Year Ended December 31, 2008			
	Operating Income	Pre-tax Earnings from Continuing Operations	Net Earnings from Continuing Operations Attributable to Viacom*	Diluted EPS from Continuing Operations
Reported results	\$ 2,562	\$ 1,894	\$ 1,257	\$ 2.01
Factors Affecting Comparability:				
Restructuring and other charges	454	454	286	0.46
Discrete tax benefits	-	-	(55)	(0.09)
Impairment of investments	-	27	27	0.04
Adjusted results	<u>\$ 3,016</u>	<u>\$ 2,375</u>	<u>\$ 1,515</u>	<u>\$ 2.42</u>

* The tax impact has been calculated using the rates applicable to the adjustments presented.

Restructuring and Other Charges

2009

During the second quarter of 2009, we took actions resulting in severance charges of \$16 million in the *Media Networks* segment and \$17 million in the *Filmed Entertainment* segment included within *Selling, general and administrative expenses* in our Consolidated Statement of Earnings.

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In the fourth quarter of 2009, we recorded a \$60 million non-cash impairment charge in the *Media Networks* segment related to certain broadcast licenses held by a 32%-owned consolidated entity. This charge is included in *Depreciation and amortization* in our Consolidated Statement of Earnings. The impact to *Net earnings attributable to Viacom* was a reduction of \$19 million.

2008

In the fourth quarter of 2008, to better align our organization and cost structure with changing economic conditions, we undertook a strategic review of our businesses which resulted in \$454 million of charges. In addition to broad adverse economic conditions, the strategic review considered the emergence of sustained softness in the advertising market and ratings issues at certain channels in the *Media Networks* segment, and the *Filmed Entertainment* segment's decision to reduce its future film slate. As a result of these initiatives we saved approximately \$200 million in the year ended December 31, 2009. Approximately half of the savings from the restructuring charges were principally comprised of workforce reductions and were realized via lower compensation costs primarily included as a component of *Selling, general and administrative expenses* in our Consolidated Statement of Earnings. We have experienced similar levels of savings since the restructuring and expect to continue to experience similar levels of savings from the headcount reductions in future fiscal years, subject to the performance of our operations which may require further changes to our headcount, either increases or decreases, to effectively and efficiently manage our operations. In the year ended December 31, 2009, our cash savings were partially offset by severance payments made pursuant to our restructuring plan. With respect to the other charges, the savings are primarily related to reduced programming amortization attributable to abandoned programming included as a component of *Operating expenses* in our Consolidated Statement of Earnings, and will diminish ratably through 2011. Despite these savings, overall programming expenses have grown since the programming was abandoned and are likely to grow in the future as we continue to invest in programming in the normal course of business.

The following table presents the components of the 2008 restructuring and other charges by segment:

2008 Restructuring and Other Charges (in millions)	Media Networks	Filmed Entertainment	Corporate	Total
Severance and lease termination costs	\$ 71	\$ 29	\$ 3	\$ 103
Programming and film inventory	286	19	-	305
Asset impairments and other	32	14	-	46
December 31, 2008	\$ 389	\$ 62	\$ 3	\$ 454

See Note 11 to our Consolidated Financial Statements for additional information regarding these actions.

Extinguishment of Debt

In the third quarter of 2009, we issued a total of \$1.4 billion of senior notes with maturities of five, six and ten years. We used the net cash proceeds from these offerings of \$1.393 billion to repurchase a substantial portion of our shorter term 5.75% Senior Notes due 2011 in a cash tender offer. Our repurchase of \$1.307 billion of principal at a purchase price of \$1,061.25 per \$1,000 pursuant to the tender offer resulted in a pre-tax extinguishment loss of \$84 million.

Discrete Tax Benefits

Discrete tax benefits of \$27 million and \$74 million were recognized in the nine months ended September 30, 2010 and 2009, respectively, which contributed 1.5 and 5.4 percentage points of tax benefit to our effective income tax rate in each respective period. Our effective income tax rate was 34.6% and 30.7% for the nine months ended September 30, 2010 and 2009, respectively. The benefit in the nine months ended September 30,

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2010 principally reflects tax benefits from the disposition of certain assets. The benefit in the nine months ended September 30, 2009 principally reflects reserve releases resulting from effectively settled audits and the recognition of certain previously unrecognized capital losses from international operations.

Discrete tax benefits of \$124 million and \$55 million were recognized in the year ended December 31, 2009 and 2008, respectively. Our effective income tax rate was 31.5% and 32.7% in 2009 and 2008, respectively. Discrete tax benefits, taken together with the impact of restructuring and other charges and the 2009 loss on extinguishment of debt, contributed 4.3 and 2.9 percentage points of tax benefit in each respective year. The discrete taxes in each period were principally due to reserve releases resulting from effectively settled audits. The benefit in 2009 also reflects the recognition of certain previously unrecognized capital losses from international operations.

Other Items

In 2008, we recognized non-cash investment impairment charges of \$27 million.

LIQUIDITY AND CAPITAL RESOURCES

On each of July 1 and October 1, 2010, we paid cash dividends of \$0.15 per share on our Class A and Class B common stock to stockholders of record at the close of business on June 21 and August 31, 2010, respectively. Dividends paid on each of July 1 and October 1, 2010 were \$91 million. In addition, the Board of Directors authorized an increase in the funds available to purchase Class B common stock under our stock repurchase program to \$4.0 billion from the existing remaining capacity of \$1.275 billion.

Liquidity

Sources and Uses of Cash

Our primary source of liquidity is cash provided through the operations of our businesses. During 2009, we strengthened our balance sheet by repaying amounts outstanding under our revolving credit facility and lengthening our maturities of public debt. On October 8, 2010, we terminated our existing \$3.25 billion revolving credit facility and entered into a new \$2.0 billion revolving credit facility reflecting our strengthened balance sheet and anticipated liquidity needs. The new facility matures in October 2013. Our cash flows from operations, together with our revolving credit facility, provide us with adequate resources to fund our anticipated ongoing cash requirements. In April 2010, we terminated our accounts receivable securitization programs because we had access to sufficient sources of liquidity at better terms.

Our principal uses of cash include the creation of new programming and film content, acquisitions of third-party content, ongoing investments in our businesses, capital expenditures, commitments to equity affiliates and acquisitions of businesses. We also use cash for interest and tax payments, quarterly cash dividends and discretionary share repurchases under our \$4.0 billion stock repurchase program. We manage our use of cash with a goal of maintaining total debt levels within rating agency guidelines for an investment grade credit rating.

We have and may continue to access external financing from time to time depending on our cash requirements, assessments of current and anticipated market conditions and after-tax cost of capital. Our access to capital markets can be impacted by factors outside our control, including economic conditions; however, we believe that our strong cash flows and balance sheet, our credit facility and our credit rating will provide us with adequate access to funding given our expected cash needs. Any new borrowing cost would be affected by market conditions and short and long-term debt ratings assigned by independent rating agencies.

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Cash Flows

Cash and cash equivalents increased by \$539 million for the nine months ended September 30, 2010, and decreased \$494 million for the year ended December 31, 2009. The net change in cash and cash equivalents was attributable to the following:

Cash Flows (in millions)	Nine Months Ended September 30,		Twelve Months Ended December 31,	
	2010	2009	2009	2008
Cash provided by operations	\$ 1,147	\$ 732	\$ 1,151	\$ 2,036
Net cash flow used in investing activities	(168)	(117)	(274)	(571)
Net cash flow used in financing activities	(436)	(1,169)	(1,388)	(1,555)
Effect of exchange rates on cash and cash equivalents	(4)	11	17	(38)
Net change in cash and cash equivalents	\$ 539	\$ (543)	\$ (494)	\$ (128)

Operating Activities

Cash provided by operations was \$1.147 billion for the nine months ended September 30, 2010, an increase of \$415 million compared with the nine months ended September 30, 2009. The increase principally reflects the increase in earnings, lower pension contributions, lower print and advertising expenses and the comparison against a \$175 million reduction in securitized receivables and an \$84 million payment of a premium on debt extinguishment in 2009, partially offset by higher income tax payments. Cash tax payments increased during the period primarily as a result of prior year tax benefits associated with our fourth quarter 2008 restructuring and other charges, the expiration at December 31, 2009 of certain Federal income tax benefits related to programming and film investment and increased pre-tax earnings.

The *Media Networks* segment consistently generates a significant percentage of our cash flow from operating activities. Advertising time is generally purchased by large media buying agencies and our affiliate fees are principally earned from cable and satellite television operators. The *Filmed Entertainment* segment's operational results and ability to generate cash flow from operations substantially depend on the number and timing of films in development and production, the level and timing of print and advertising costs and the public's response to our theatrical film and home entertainment releases. Our cash flow from operations tends to fluctuate seasonally as a result of the timing of cash payments and collections, typically being highest in the fourth quarter of the calendar year, which is the first quarter of our new fiscal year.

Cash provided by operations was \$1.151 billion for the year ended December 31, 2009, a decrease of \$885 million compared with 2008. The decrease was primarily due to a \$950 million reduction in securitized receivables, increased pension contributions, severance payments and payment of a premium on our 2009 debt extinguishment, partially offset by lower payments for production spending, income taxes and interest.

Investing Activities

Cash used in investing activities was \$168 million for the nine months ended September 30, 2010, compared with \$117 million in the nine months ended September 30, 2009. The increase is primarily due to increased spending on capital expenditures and investments, principally related to Viacom 18 and EPIX, partially offset by cash acquired from DW Funding.

In general, our segments require relatively low levels of capital expenditures in relation to our annual cash flow from operations which contributes to our ability to generate cash flow for future investment in our content and business operations, which we expect to be able to maintain over time.

Cash used in investing activities was \$274 million for the year ended December 31, 2009, compared with \$571 million in 2008. The decrease was primarily due to lower spending on acquisitions and investments in 2009, as well as lower spending on capital expenditures. In 2009, cash used in investing activities included \$133 million

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related to acquisitions and investments and \$139 million in capital expenditures. In 2008, cash used in investing activities included \$283 million of capital expenditures, principally related to improvements to certain new and existing facilities (including approximately \$100 million related to New York real estate facilities), \$146 million related to acquisitions and investments and a \$150 million earn-out payment related to our 2006 acquisition of Harmonix, which is reflected in discontinued operations.

Financing Activities

Cash used in financing activities was \$436 million for the nine months ended September 30, 2010, compared with \$1.169 billion in the nine months ended September 30, 2009. The net outflow in 2010 is primarily driven by the repayment of DW Funding debt and dividends paid. The net outflow in 2009 was primarily driven by \$750 million in payments related to the maturity of our floating rate senior notes which came due in the second quarter of 2009 and a decrease in amounts outstanding under our revolving credit facility. In the third quarter of 2009, we issued a total of \$1.4 billion of senior notes and used the proceeds to repurchase \$1.307 billion outstanding principal of our 5.75% Senior Notes due 2011.

Cash used in financing activities was \$1.388 billion for the year ended December 31, 2009. The net outflow was primarily driven by the maturity of our \$750 million floating rate senior notes and the decrease in amounts outstanding under our revolving credit facility. We did not repurchase any shares under our stock repurchase program during 2009.

Cash used in financing activities was \$1.555 billion for the year ended December 31, 2008. The net outflow was principally driven by \$1.266 billion of share repurchases under our stock repurchase program and net payments of \$280 million on the outstanding balances related to our credit facility, commercial paper and other debt obligations.

Capital Resources

Capital Structure and Debt

At September 30, 2010, total debt was \$6.752 billion, a decrease of \$21 million from \$6.773 billion at December 31, 2009. The decrease in debt reflects the cash flow generated by our operations.

Debt (in millions)	September 30, 2010	December 31, 2009
Senior notes and debentures	\$ 6,320	\$ 6,319
Commercial paper	-	16
Capital leases and other obligations	432	438
Total debt	<u>\$ 6,752</u>	<u>\$ 6,773</u>

Senior Notes and Debentures

In the third quarter of 2009, we took advantage of a decrease in interest rates available in the capital markets to extend our debt maturities. We issued a total of \$1.4 billion of senior notes with maturities of five, six and ten years and used the proceeds to repurchase a substantial portion of our shorter term 5.75% Senior Notes due 2011 as further described below.

In August 2009, we issued \$600 million aggregate principal amount of 4.375% Senior Notes due 2014 at a price equal to 99.291% of the principal amount, and \$250 million aggregate principal amount of 5.625% Senior Notes due 2019 at a price equal to 99.247% of the principal amount. In September 2009, we issued \$250 million aggregate principal amount of 4.250% Senior Notes due 2015 at a price equal to 99.814% of the principal amount, and an additional \$300 million aggregate principal amount of our 5.625% Senior Notes due 2019 at a price equal to 101.938% of the principal amount.

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We used the net cash proceeds from these offerings of \$1.393 billion to conduct a cash tender offer to repurchase any and all of the aggregate principal of our \$1.5 billion 5.75% Senior Notes due 2011 at a purchase price of \$1,061.25 per \$1,000 of principal. Our repurchase of \$1.307 billion of principal pursuant to the tender offer resulted in a pre-tax extinguishment loss of \$84 million. At September 30, 2010, \$193 million of principal remained outstanding on the 5.75% Senior Notes due 2011.

In 2009, we also repurchased in the open market or paid off at maturity our \$750 million of Senior Notes due June 16, 2009.

Our outstanding senior notes and debentures provide for certain covenant packages typical for an investment grade company. There is one acceleration trigger for certain of the senior notes and debentures in the event of a change in control under certain specified circumstances coupled with ratings downgrades due to the change in control. At September 30, 2010 and December 31, 2009, the total unamortized net discount related to the fixed rate senior notes and debentures was \$23 million and \$24 million, respectively.

We anticipate that future debt maturities will be funded with cash and cash equivalents, cash flows from operating activities and future access to capital markets, including our new revolving credit facility. There can be no assurance that we will be able to access capital markets on terms and conditions that will be acceptable to us.

Credit Facility

At September 30, 2010 and December 31, 2009, we had a single \$3.25 billion revolving facility due December 2010, which we terminated on October 8, 2010 in connection with our entering into a new \$2.0 billion revolving credit facility. There were no amounts outstanding under our prior credit facility at September 30, 2010. Consistent with the prior facility, the primary purpose of the new facility is to fund short-term liquidity needs and to support commercial paper borrowings. Borrowing rates under each facility are determined at the time of each borrowing and are based generally on LIBOR plus a margin based on our public debt rating. Under the new facility, this margin can range from 0.75% to 2.0% based on our current credit rating. A facility fee is paid based on the total amount of the commitments. Each facility contains typical covenants for an investment grade company. Each facility contains only one financial covenant that requires our interest coverage, calculated as operating income before depreciation and amortization divided by interest expense (defined by the credit agreement), for the most recent four consecutive fiscal quarters to be at least 3.0x, which we met at September 30, 2010.

Commercial Paper

There are no amounts outstanding under our commercial paper program at September 30, 2010. At December 31, 2009, the outstanding commercial paper of \$16 million had a weighted average interest rate of 0.22% and a weighted average maturity of less than 30 days.

Current Portion of Debt

Amounts classified in the current portion of debt consist of the portion of capital leases payable in the next twelve months.

Securitization Facilities

There were no securitized receivables at December 31, 2009 and no activity during the period from January 1, 2010 through our termination of the securitization programs in April 2010.

Film Financing Arrangements

Historically we have entered into film financing arrangements that involve the sale of a partial copyright interest in a film to third-party investors. Since the investors typically have the risks and rewards of ownership proportionate to their ownership in the film, we generally record the amounts received for the sale of copyright

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interest as a reduction of the cost of the film and related cash flows are reflected in net cash flow from operating activities. We also have agreements with third parties, including other studios, to co-finance certain of our motion pictures.

Stock Repurchase Program

At September 30, 2010, there was \$4.0 billion available to repurchase shares of our Class B Common Stock under our repurchase program. Until we resumed share repurchases under the program on October 1, 2010, we had not purchased any shares under the program since December 31, 2008. From October 1, 2010 through November 10, 2010, we have repurchased 4.3 million shares for an aggregate price of \$162 million.

Commitments and Contingencies

Our commitments primarily consist of programming and talent commitments, operating lease arrangements, purchase obligations for goods and services and future funding commitments related to equity investees. These arrangements result from our normal course of business and represent obligations that may be payable over several years. Additionally, we are subject to a redeemable put option, payable in a foreign currency, with respect to an international subsidiary which expires in 2011 and is classified as *Redeemable noncontrolling interest* in the Consolidated Balance Sheets. See Note 14 to our Consolidated Financial Statements for additional information related to the redeemable noncontrolling interest.

In the course of our business, the Company both provides and receives the benefit of indemnities that are intended to allocate certain risks associated with business transactions. Similarly, we may remain contingently liable for various obligations of a business that has been divested in the event that a third party does not live up to its obligations under an indemnification agreement. Further, we may from time to time agree to pay additional consideration to the sellers of a business depending on the performance of the business during a period following the closing.

Guarantees

Leases

Under the terms of our separation from the former Viacom Inc. ("Former Viacom"), which is now known as CBS Corporation, we and Blockbuster Inc. ("Blockbuster") agreed to indemnify Former Viacom with respect to any amount paid under certain guarantees related to lease commitments of Blockbuster. Additionally, in connection with the separation, we agreed to indemnify Former Viacom with respect to certain theater lease obligations associated with Famous Players, which Former Viacom sold in 2005. In addition, Viacom benefits from certain indemnities provided by the acquirer of Famous Players and by Blockbuster.

At September 30, 2010, these lease commitments, primarily related to Famous Players, amounted to \$644 million. The amount of lease commitments varies over time depending on expiration or termination of individual underlying leases, or of the related indemnification obligation, and foreign exchange rates, among other things. We may also have exposure for certain other expenses related to the leases, such as property taxes and common area maintenance. We have recorded a liability of \$209 million with respect to such obligations. Based on our consideration of financial information available to us, the lessees' historical performance in meeting their lease obligations and the underlying economic factors impacting the lessees' business models, we believe our accrual is sufficient to meet any future obligations.

Other

We have indemnification obligations with respect to letters of credit and surety bonds primarily used as security against non-performance in the normal course of business. The outstanding letters of credit and surety bonds at September 30, 2010 were \$67 million and are not recorded on the balance sheet.

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In July 2010, we entered into a supplemental agreement with Network 18 Fincap Limited, our partner in Viacom 18, a joint venture in India. Among other things, the partners each agreed to guarantee bank debt of Viacom 18 on a pro rata basis, up to \$100 million each, to the extent needed and subject to prior approval by both partners. The partners have not yet approved any borrowings subject to this guarantee.

Legal Matters

See the section entitled "Other Matters."

Contractual Obligations

Our contractual obligations include amounts reflected on our balance sheet, as well as off-balance sheet arrangements. At September 30, 2010, our significant contractual obligations, including payments due for the next five fiscal years and thereafter, were as follows:

Contractual Obligations (in millions)	Total	Less than 1 year	1-3 years	3-5 years	After 5 years
Off-balance Sheet Arrangements					
Programming and talent commitments (1)	\$1,377	\$ 404	\$ 547	\$ 302	\$ 124
Operating leases (2)	\$1,109	\$ 187	\$ 347	\$ 269	\$ 306
Purchase obligations (3)	\$ 546	\$ 357	\$ 135	\$ 35	\$ 19
On-Balance Sheet Arrangements					
Capital lease obligations (4)	\$ 258	\$ 41	\$ 60	\$ 50	\$ 107
Debt	\$6,565	\$ 193	\$ 222	\$ 850	\$ 5,300
Interest payments	\$6,952	\$ 362	\$ 702	\$ 688	\$ 5,200
Other long-term obligations (5)	\$2,674	\$ 1,483	\$ 836	\$ 342	\$ 13

- (1) Programming and talent commitments include \$1.076 billion relating to media networks programming and \$301 million for talent contracts.
- (2) Includes long-term non-cancelable operating lease commitments for office space, equipment, transponders, studio facilities and vehicles.
- (3) Purchase obligations include agreements to purchase goods or services that are enforceable and legally binding and that specify all significant terms, including open purchase orders.
- (4) Includes capital leases for satellite transponders.
- (5) Other long-term obligations principally consist of participations, residuals and programming obligations for content that is available for airing.

Note: Not included in the amounts above are payments which may result from our unfunded defined benefit pension and other postretirement benefits of \$356 million, unrecognized tax benefits of \$377 million, including interest and penalties, approximately \$25 million of funding commitments to joint ventures, interest payments to be made under our credit facility, \$131 million of redeemable noncontrolling interest and lease guarantees of \$644 million. The amount and timing of payments with respect to these items are subject to a number of uncertainties such that we are unable to make sufficiently reliable estimations of future payments. We do expect to make contributions of approximately \$50 million in fiscal 2011 to our pension plans.

MARKET RISK

We are exposed to market risk related to foreign currency exchange rates and interest rates. We use or expect to use derivative financial instruments to modify exposure to risks from fluctuations in foreign currency exchange rates and interest rates. In accordance with our policy, we do not use derivative instruments unless there is an underlying exposure, and we do not hold or enter into financial instruments for speculative trading purposes.

Foreign Exchange Risk

We conduct business in various countries outside the United States, resulting in exposure to movements in foreign exchange rates when translating from the foreign local currency to the U.S. Dollar. We recognized foreign exchange losses of \$9 million and \$34 million in the nine months ended September 30, 2010 and 2009, respectively, and \$27 million and \$50 million in the years ended December 31, 2009 and 2008, respectively. The decreases in foreign exchange losses are primarily due to the weakening of the U.S. Dollar against foreign currencies in which we operate.

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In order to economically hedge anticipated cash flows and foreign currency balances in such currencies as the British Pound, the Australian Dollar, the Euro, the Japanese Yen, and the Canadian Dollar, foreign currency forward contracts are used. The change in fair value of non-designated contracts is included in current period earnings as part of *Other items, net*. Additionally, from time to time we enter into forward contracts to hedge future production costs or programming obligations or hedge the foreign currency exposure of a net investment in a foreign operation. We manage the use of foreign exchange derivatives centrally.

The notional value of all foreign exchange contracts was \$150 million and \$300 million at September 30, 2010 and December 31, 2009, respectively. In 2010, \$94 million related to net investments in foreign operations, \$13 million related to expected foreign currency net cash flows and \$43 million related to programming obligations. In 2009, \$233 million related to net investments in foreign operations, \$51 million related to expected foreign currency net cash flows and \$16 million related to programming obligations.

Interest Rate Risk

A portion of our interest expense is exposed to movements in short-term rates. Interest rate hedges may be used to modify this exposure. As of September 30, 2010 and December 31, 2009, there were no interest rate hedges outstanding. Since the majority of our debt is fixed rate, we do not expect that a 1% increase or decrease in the level of interest rates would have a material impact on our Consolidated Financial Statements.

Viacom has issued senior notes and debentures that, at September 30, 2010, had an outstanding balance of \$6.3 billion and an estimated fair value of \$7.2 billion. A 1% increase or decrease in the level of interest rates, respectively, would decrease or increase the fair value of the senior notes and debentures by approximately \$570 million and \$670 million.

Credit Risk

We continually monitor our positions with, and credit quality of, our customers and the financial institutions which are counterparties to our financial instrument agreements. We are exposed to credit loss in the event of nonpayment by our customers and nonperformance by the counterparties to our financial instrument agreements. However, we do not anticipate nonperformance by the counterparties to our financial instrument agreements and we believe our allowance for doubtful accounts is sufficient to cover any anticipated nonpayment by our customers.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of our financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates, judgments and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. On an ongoing basis, we evaluate our estimates, which are based on historical experience and on various other assumptions that we believe are reasonable under the circumstances. The result of these evaluations forms the basis for making judgments about the carrying values of assets and liabilities and the reported amount of expenses that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions. An appreciation of our critical accounting policies, those that are considered by management to require significant judgment and use of estimates and that could have a significant impact on our financial statements, is necessary to understand our financial results. Unless otherwise noted, we applied our critical accounting policies and estimation methods consistently in all material respects and for all periods presented, and have discussed such policies with our Audit Committee.

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Film Accounting

Revenue Recognition

Revenue we earn in connection with the exhibition of feature films by our *Filmed Entertainment* segment is recognized in accordance with the accounting guidance for producers or distributors of films. Our *Filmed Entertainment* segment principally earns revenue from the exhibition of feature film content based upon theatrical exhibition, home entertainment and various television markets (e.g., network, pay, syndication, basic cable). We recognize revenue from theatrical distribution of motion pictures upon exhibition. We recognize revenue from home entertainment product sales, net of anticipated returns, including rebates and other incentives, upon the later of delivery or the date that these products are made widely available for sale by retailers. We recognize revenue from the licensing of feature films and original programming for exhibition in television markets upon availability for airing by the licensee. We recognize revenue for video-on-demand and similar pay-per-view arrangements as the feature films are exhibited based on end-customer purchases as reported by the distributor.

Original Production and Film Costs

We capitalize original production, including original programming and feature film costs, on a title-specific basis, as *Inventory, net* in the Consolidated Balance Sheets. We use an individual-forecast-computation method to amortize the costs over the applicable title's life cycle based upon the ratio of current period to estimated remaining total gross revenues ("ultimate revenues") for each title. We expense advertising costs as they are incurred and expense manufacturing costs, such as DVD manufacturing costs, on a unit-specific basis when we recognize the related revenue.

Our estimate of ultimate revenues for feature films includes revenues from all sources that are estimated to be earned within ten years from the date of a film's initial theatrical release. For acquired film libraries, our estimate of ultimate revenues is for a period within 20 years from the date of acquisition. Prior to the release of a feature film and throughout its life, we estimate the ultimate revenues based on the historical performance of similar content, as well as incorporating factors of the content itself, including, but not limited to, the expected number of theaters and markets in which the original content will be released, the genre of the original content and the past box office performance of the lead actors and actresses. We believe the most sensitive factor affecting our estimate of ultimate revenues for films intended for theatrical release is domestic theatrical exhibition, as subsequent markets have historically exhibited a high correlation to domestic theatrical performance. Upon a film's release and determination of domestic theatrical performance, our estimates of revenues from succeeding windows and markets are revised based on historical relationships and an analysis of current market trends. The most sensitive factor affecting our estimates for films subsequent to their initial release is the extent of home entertainment sales achieved. In addition to theatrical performance, home entertainment sales vary based on a variety of factors including demand for our titles, the volume and quality of competing home entertainment products, marketing and promotional strategies, as well as economic conditions.

For original programming, capitalized program costs are amortized over the projected useful life of the programming, depending on genre and historical experience, beginning with the month of initial exhibition. The most sensitive factor affecting ultimate revenues is the program's rating. Program ratings, which are an indication of audience acceptance, directly impact the level of advertising revenues we will be able to generate during the airing of the programming. Poor ratings may result in abandonment of a program, which would require the immediate write-off of any unamortized production costs.

The estimate of ultimate revenues impacts the timing of original production cost amortization. Upon a film's initial release we update our estimate of ultimate revenues based on expected future and actual results. We also review and revise estimates of ultimate revenue and participation costs as of each reporting date to reflect the

**Management's Discussion and Analysis
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most current available information. If estimates for a film are revised, the difference between amortization expense determined using the new estimate and any amounts previously expensed during that fiscal year are charged or credited to our Consolidated Statements of Earnings in the quarter in which the estimates are revised.

If we believe that the release of our content will not or has not been favorably received, then we would assess whether the fair value of such content is less than the unamortized portion of its capitalized costs and, if need be, recognize an impairment charge for the amount by which the unamortized capitalized costs exceed the fair value. We utilize the individual-film-forecast-computation method (adjusted to incorporate revenue and related costs, including future exploitation costs, if any, expected to occur in periods beyond 10 years from the date of the film's initial release) to develop the cash flows which are subsequently discounted to compute the fair value of a film at each reporting period. The discount rate utilized takes into account the time value of money as well as a risk premium. The risk premium reflects the uncertainties of realizing the expected cash flows of a film title which is impacted by a film title's position within its product life cycle.

Acquired Programming Rights

We report an asset and liability for the rights acquired and obligations incurred at the commencement of the licensing period when the cost of the programming is known or reasonably determinable, the program material has been accepted and the programming is available for airing. We record the transaction using the gross liability provision. The asset is amortized to operating expenses over the license period or projected useful life of the programming, if shorter, commencing upon availability. Determining factors used in estimating the useful life of programming includes the expected number of future airings, which may differ from the contracted number of airings, the length of the license period and expected future revenues to be generated from the programming. The cost basis of acquired programming is the capitalized cost of each program and is equal to the cost of the programming pursuant to the license agreement less the cumulative amortization recorded for the program. Capitalized costs of rights to program materials are reported in our Consolidated Balance Sheets at the lower of unamortized cost or estimated net realizable value. We evaluate net realizable value of acquired rights programming quarterly on a daypart basis. A daypart is defined as an aggregation of programs broadcast during a particular time of day or an aggregation of programs of a similar type. We aggregate similar programming based on the specific demographic targeted by each respective program service. Net realizable value is determined by estimating advertising revenues to be derived from the future airing of the programming within the daypart as well as an allocation of affiliate fee revenue to programming. An impairment charge may be necessary if our estimates of future cash flows of similar programming are insufficient or if programming is abandoned.

Revenue Recognition

Gross versus Net Revenue Recognition

We earn and recognize revenues where we act as distributor on behalf of third parties. In such cases, determining whether revenue should be reported on a gross or net basis is based on management's assessment of whether we act as the principal or agent in the transaction. To the extent we act as the principal in a transaction, we report revenues on a gross basis. Determining whether we act as principal or agent in a transaction involves judgment and is based on an evaluation of whether we have the substantial risks and rewards of ownership under the terms of an arrangement.

Our most significant distribution arrangements are in connection with certain exclusive distribution rights to and home video fulfillment services for the animated feature films produced by DreamWorks Animation and the distribution agreements with Marvel and CBS Corporation. Under the terms of these agreements, we generally are responsible for all out-of-pocket costs, primarily comprised of distribution and marketing costs. For the provision of distribution services, we generally retain a fee based upon a percentage of gross receipts and recover expended distribution and marketing costs on a title-by-title basis prior to any participation payments to the

**Management's Discussion and Analysis
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contracting parties of the films, except as pertains to certain contractually agreed upon advance payments. As primary obligor, revenue and related distribution and marketing costs for these arrangements are presented on a gross basis.

Sales Returns, Allowances and Uncollectible Accounts

In accordance with the accounting guidance related to revenue recognition when a right of return exists, revenue allowances are recorded to adjust amounts originally invoiced to the estimated net realizable value of a particular product. Upon the sale of home entertainment products to wholesalers and retailers, we record a reduction of revenue for the impact of estimated future returns, rebates and other incentives ("estimated returns"). In determining estimated returns, we consider numerous sources of qualitative and quantitative evidence including forecasted sales data, customers' rights of return, units shipped and units remaining at retail, historical return rates for similar product, current economic trends, competitive environment, promotions and sales strategies.

Forecasted sales data is determined by comparing a particular release to product that has similar characteristics where applicable, such as franchise, genre, box office levels and release patterns, using regression analysis, decay rates and other tools. Based on the results of this analysis and the sales strategies to be used for the release, we reserve an appropriate percentage of each dollar of product revenue on a title taking into consideration the qualitative and quantitative factors described above. Forecasted sales data is reviewed and updated throughout each quarter, and, with respect to home entertainment product, is consistent with the projections of ultimate revenues used in applying the individual-forecast-computation method to amortize our film costs. Accordingly, a change in forecasted sales affects both the revenue allowance and related expenses. Actual sell-through data is reviewed as it becomes available against the forecasted sales data to ensure that estimates continue to be consistent with actual sales performance.

Our estimate of future returns affects reported revenue and operating income. If we underestimate the impact of future returns in a particular period, then we may record less revenue and related expenses in later periods when returns exceed the estimated amounts. If we overestimate the impact of future returns in a particular period, then we may record additional revenue and related expenses in later periods when returns are less than estimated. An incremental change of 1% in our estimated sales returns rate (i.e., provisions for returns divided by gross sales of related product) for home entertainment products would have a \$13 million impact on our total revenue for the nine months ended September 30, 2010. This revenue impact would be partially offset by a corresponding impact on related expenses depending on the margin associated with a specific film and other factors. In computing our sales returns rate, sales include home entertainment revenues of our *Filmed Entertainment* and *Media Networks* segments. Home entertainment revenues of our *Media Networks* segment are included within *Media Networks*' ancillary revenues.

We also continually evaluate accounts receivable and establish judgments as to their ultimate collectibility. Judgments and estimates involved include an analysis of specific risks on a customer-by-customer basis for larger accounts and an analysis of actual historical write-off experience in conjunction with the length of time the receivables are past due. Using this information, management reserves an amount that is estimated to be uncollectible. An incremental change of 1% in our allowance for uncollectible accounts relative to our trade accounts receivables would have a \$20 million impact on our operating results for the nine months ended September 30, 2010.

Provision for Income Taxes

As a global entertainment content company, we are subject to income taxes in the United States and foreign jurisdictions where we have operations. Significant judgment is required in determining our annual provision for income taxes and evaluating our income tax positions. Our tax rates are affected by many factors, including our

**Management's Discussion and Analysis
of Results of Operations and Financial Condition
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global mix of earnings, legislation, acquisitions and dispositions, as well as the tax characteristics of our income. In determining our income tax provisions on a jurisdiction basis, we are required to make judgments on the need to record deferred tax assets and liabilities, including the realizability of deferred tax assets. A valuation allowance for deferred tax assets is established if it is more likely than not that a deferred tax asset will not be realized. In evaluating uncertain tax positions, we make determinations of the application of complex tax rules, regulations and practices. We evaluate our uncertain tax positions quarterly based on many factors including, but not limited to, new facts, changes in tax law and information received from regulators. A change in any one of these factors could change our evaluation of an existing uncertain tax position, resulting in the recognition of an additional charge or benefit to our income tax provision in the period. As such, going forward, our effective tax rate may fluctuate. Additionally, our income tax returns are routinely audited and settlements of issues raised in these audits sometimes affect our tax provisions. The resolution of audit issues and income tax positions taken may take extended periods of time due to the length of examinations by tax authorities and the possible extension of statutes of limitations.

During the nine months ended September 30, 2010, we recognized net discrete tax benefits of \$27 million. A 1% change in our effective rate, excluding discrete items, would result in additional income tax expense of approximately \$18 million for the nine months ended September 30, 2010.

We permanently reinvest the earnings of substantially all of our foreign subsidiaries outside the United States. We do not provide for U.S. taxes on earnings of our foreign subsidiaries for which the earnings are permanently reinvested.

Fair Value Measurements

The performance of fair value measurements is an integral part of the preparation of financial statements in accordance with GAAP. Fair value is defined as the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants. Selection of the appropriate valuation technique, as well as determination of assumptions, risks and estimates used by market participants in pricing the asset or liability requires significant judgment. Although we believe that the inputs used in our valuation techniques are reasonable, a change in one or more of the inputs could result in an increase or decrease in the fair value of certain assets and certain liabilities. Either instance would have an impact on both our Consolidated Balance Sheet and Consolidated Statement of Earnings.

Provided below are those instances where the determination of fair value could have the most significant impact on our financial condition or results of operations:

Goodwill. Goodwill at September 30, 2010 relates to our reporting units MTVN (\$6.7 billion), BETN (\$2.7 billion) and Paramount (\$1.6 billion). On an annual basis, the test for goodwill impairment is performed using a two-step process, unless there is a triggering event, in which case a test would be performed sooner. The first step is to identify a potential impairment by comparing the fair value of a reporting unit with its carrying amount. If necessary, the second step of the goodwill impairment test compares the implied fair value of the reporting unit's goodwill with the carrying amount of that goodwill. The implied fair value of goodwill is determined in the same manner as the amount of goodwill recognized in a business combination. For all periods presented, our reporting units are consistent with our operating segments, in all material respects.

The estimates of fair value of a reporting unit are determined based on a discounted cash flow analysis. A discounted cash flow analysis requires us to make various judgmental assumptions, including assumptions about the timing and amount of future cash flows, growth rates and discount rates. Given the inherent uncertainty in determining these assumptions, actual results may differ from those used in our valuations. To facilitate a better

**Management's Discussion and Analysis
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understanding of how these valuations are determined, a discussion of our significant assumptions, including a sensitivity analysis with respect to their impact on the estimated value of our reporting units, is provided below.

The assumptions about future cash flows and growth rates are based on the budget and long-term business plans of each operating segment. Such assumptions take into account numerous factors including historical experience, anticipated economic conditions, advertising sales and ratings trends, terms of affiliate license arrangements and anticipated terms of renewals, projected costs for production and programming, number and expected financial performance of films expected to be produced and distributed each year and changes in the reporting unit cost structures.

Discount rate assumptions for each reporting unit take into account our assessment of the risks inherent in the future cash flows of the respective reporting unit and our weighted-average cost of capital. We also review marketplace data to assess the reasonableness of our computation of Viacom's overall weighted average cost of capital and, when available, the discount rates utilized for each of our reporting units.

In determining the fair value of our reporting units, we used the following assumptions:

- Expected cash flows underlying our business plans for the periods 2011 through 2015. Our cash flow assumptions are generally in line with those utilized in the prior year forecast period, with updates reflecting the improved advertising outlook in MTVN and cost savings initiatives in Paramount.
- Cash flows beyond 2015 are projected to grow at a perpetual growth rate, which we estimated at 3.5%.
- In order to risk adjust the cash flow projections in determining fair value, we utilized a discount rate of approximately 8% to 11% for each of our reporting units.

Based on our annual assessment using the assumptions described above, a hypothetical 20% reduction in the estimated fair value in each of our reporting units would not result in an impairment condition.

We have performed sensitivity analyses to illustrate the impact of changes in assumptions underlying the first step of the impairment test. Based on our annual assessment:

- a one percentage point decrease in the five year compound average growth rate of cash flow over the periods 2011 through 2015 would reduce the indicated fair value of each of our reporting units by approximately 4% and would not result in an impairment of any reporting unit.
- a one percentage point decrease in the perpetual growth rate would reduce the indicated fair value of each of our reporting units by a range of approximately 10% to 15% and would not result in an impairment of any reporting unit.
- a one percentage point increase in the discount rate would reduce the indicated fair value of each of our reporting units by a range of approximately 14% to 18% and would not result in an impairment of any reporting unit.

In connection with the change in our fiscal year end, we changed the date of our annual goodwill impairment test from October 1 to August 31. This change is preferable as it aligns the timing of the annual goodwill impairment test with our planning and budgeting process, which will allow us to utilize the updated business plans that result from the budget process in the discounted cash flow analyses that we use to estimate the fair value of our reporting units.

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(continued)**

Discontinued Operations

In connection with our annual goodwill impairment test, we recorded a \$230 million goodwill impairment charge related to Harmonix. The estimated fair value of Harmonix was determined using a discounted cash flow analysis. Significant assumptions reflected in the analysis include the estimated future cash flows of the business and discount rate. A one percentage point change in the perpetual growth rate or discount rate would not have resulted in a significant change in the goodwill impairment charge.

Finite-Lived Intangible Assets. In determining whether finite-lived intangible assets (e.g., customer lists, film libraries) are impaired, the accounting rules do not provide for an annual impairment test. Instead, they require that a triggering event occur before testing an asset for impairment. Once a triggering event has occurred, the impairment test employed is based on whether the intent is to hold the asset for continued use or to hold the asset for sale. If the intent is to hold the asset for continued use, first a comparison of undiscounted future cash flows against the carrying value of the asset is performed. If the carrying value exceeds the undiscounted cash flows, the asset would be written down to the discounted fair value. If the intent is to hold the asset for sale, to the extent the carrying value is greater than the asset's value, an impairment loss is recognized for the difference.

Significant judgments in this area involve determining whether a triggering event has occurred, the determination of the cash flows for the assets involved and the discount rate to be applied in determining fair value.

OTHER MATTERS

Legal Matters

Litigation is inherently uncertain and always difficult to predict. However, based on our understanding and evaluation of the relevant facts and circumstances, we believe that the legal matters described below and other litigation to which we are a party are not likely, in the aggregate, to have a material adverse effect on our results of operations, financial position or cash flows.

In March 2007, we filed a complaint in the United States District Court for the Southern District of New York against Google Inc. ("Google") and its wholly-owned subsidiary YouTube, alleging that Google and YouTube violated and continue to violate the Company's copyrights. We are seeking both damages and injunctive relief. In March 2010, we and Google filed motions for summary judgment, and in June 2010, Google's motion was granted. On August 11, 2010, we filed a notice of appeal to the U.S. Court of Appeals for the Second Circuit. We believe we have substantial grounds on which to appeal.

In September 2007, *Brantley, et al. v. NBC Universal, Inc., et al.*, was filed in the United States District Court for the Central District of California against us and several other program content providers on behalf of a purported nationwide class of cable and satellite subscribers. The plaintiffs also sued several major cable and satellite program distributors. Plaintiffs allege that separate contracts between the program providers and the cable and satellite operator defendants providing for the sale of programming in specific tiers each unreasonably restrain trade in a variety of markets in violation of the Sherman Act. In October 2009, the court dismissed, with prejudice, the plaintiff's third amended complaint. The plaintiffs appealed the dismissal. We believe the plaintiffs' position in this litigation is without merit and intend to continue to vigorously defend this lawsuit.

Related Parties

National Amusements Inc. ("NAI"), through a wholly-owned subsidiary, is the controlling stockholder of both Viacom and CBS Corporation ("CBS"). NAI also held a controlling interest in Midway Games, Inc. ("Midway") until November 28, 2008. Sumner M. Redstone, the Chairman, Chief Executive Officer and controlling shareholder of NAI, is the Executive Chairman of the Board and Founder of both Viacom and CBS. In addition,

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Shari Redstone, who is Sumner Redstone's daughter, is the President of NAI, and the Vice Chair of the Board of both Viacom and CBS. George Abrams, one of our directors, serves on the boards of both NAI and Viacom, and Frederic Salerno, another of our directors, serves on the boards of both Viacom and CBS. Philippe Dauman, our President and Chief Executive Officer, also serves on the boards of both NAI and Viacom. Transactions between Viacom and related parties are typically overseen by our Governance and Nominating Committee.

Viacom and NAI Related Party Transactions

NAI licenses films in the ordinary course of business for its motion picture theaters from all major studios, including Paramount. Paramount earned revenues from NAI in connection with these licenses in the aggregate amounts of approximately \$21 million during the nine months ended September 30, 2010 and \$34 million and \$36 million during the years ended December 31, 2009 and 2008, respectively.

In connection with our stock repurchase programs, in 2008 we repurchased 3.6 million shares of Class B common stock from NAIRI Inc., a wholly-owned subsidiary of NAI, for an aggregate purchase price of \$124 million. These purchases were made pursuant to an agreement with NAI and NAIRI, under which we agreed to buy from them, and they agreed to sell to us, a number of shares of our Class B common stock each month such that their ownership percentage of our Class A common stock and Class B common stock (considered as a single class) would not increase as a result of our purchase of shares under our stock repurchase program. This agreement was terminated in October 2008.

Viacom and CBS Corporation Related Party Transactions

In the ordinary course of business, we are involved in transactions with CBS and its various businesses that result in the recognition of revenues and expenses by Viacom. Transactions with CBS are settled in cash.

Paramount earns revenues and recognizes expenses associated with the distribution of certain television products into the home entertainment market on behalf of CBS. Under the terms of the agreement, Paramount is entitled to retain a fee based on a percentage of gross receipts and is generally responsible for all out-of-pocket costs which are recoupable, together with the annual advance due to CBS, prior to any participation payments to CBS. In connection with this agreement, Paramount made payments of \$100 million to CBS during each of the quarters ended March 31, 2010, 2009 and 2008. Paramount also earns revenues from CBS through leasing of studio space and licensing of certain film products. Additionally, the *Media Networks* segment recognizes advertising revenues from CBS.

The *Media Networks* segment purchases television programming from CBS. The cost of such purchases is initially recorded as acquired program rights inventory and amortized over the estimated period that revenues will be generated. Both of our segments recognize advertising expenses related to the placement of advertisements with CBS.

**Management's Discussion and Analysis
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The following table summarizes the transactions with CBS as included in our consolidated financial statements.

CBS Related Party Transactions (in millions)	Nine Months Ended September 30, 2010	Year Ended December 31, 2009		2008
Consolidated Statements of Earnings				
Revenues	\$ 244	\$ 406		\$ 506
Operating expenses	\$ 318	\$ 504		\$ 561
Consolidated Balance Sheets				
	September 30, 2010	December 31, 2009		
Accounts receivable	\$ 9	\$ 25		
Other assets	1	1		
Total due from CBS	<u>\$ 10</u>	<u>\$ 26</u>		
Accounts payable	\$ 4	\$ 3		
Participants' share and residuals, current	227	178		
Programming rights, current	100	132		
Programming rights, noncurrent	263	185		
Other liabilities	39	13		
Total due to CBS	<u>\$ 633</u>	<u>\$ 511</u>		

Agreements with CBS Corporation

In connection with the separation, we and CBS entered into a Separation Agreement, a Transition Services Agreement and a Tax Matters Agreement, as well as certain other agreements to govern the terms of the separation and certain of the ongoing relationships between CBS and us after the separation. These related party arrangements are more fully described below.

Indemnification Obligations. Pursuant to the Separation Agreement, each company indemnified the other company and the other company's officers, directors and employees for any losses arising out of its failure to perform or discharge any of the liabilities it assumed pursuant to the Separation Agreement, including with respect to certain legal matters, its businesses as conducted as of the date of the separation and its breaches of shared contracts.

Limitations on Certain Acquisitions. Subject to limited exceptions, the Separation Agreement provides that none of Viacom, any subsidiary of Viacom or any person that is controlled by Viacom after the separation will own or acquire an interest in a radio or television broadcast station, television broadcast network or daily newspaper, if such ownership or acquisition would (i) cause CBS, any subsidiary of CBS or any entity controlled by CBS after the date of the separation to be in violation of U.S. federal laws limiting the ownership or control of radio broadcast stations, television broadcast stations and/or television broadcast networks or (ii) limit in any manner at any time under such laws CBS' ability to acquire additional interests in a radio or television broadcast station and/or television broadcast network. These restrictions will terminate when none of Mr. Redstone, NAI, NAIRI or any of their successors, assigns or transferees are deemed to have interests in both CBS and Viacom that are attributable under applicable U.S. federal laws.

The Separation Agreement also provides that neither Viacom, any subsidiary of Viacom or any person controlled by Viacom nor CBS, any subsidiary of CBS or any person controlled by CBS will acquire any asset, enter into any agreement or accept or agree to any condition that purports to bind, or subjects to a legal order, the other company, its subsidiaries or any person it controls without such other party's written consent.

**Management's Discussion and Analysis
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Tax Matters Agreement

The Tax Matters Agreement sets forth Viacom's responsibilities with respect to, among other things, liabilities for federal, state, local and foreign income taxes for periods before and including the merger, the preparation and filing of income tax returns for such periods, disputes with taxing authorities regarding income taxes for such periods and indemnification for income taxes that would become due if the merger were taxable. Viacom is generally responsible for federal, state and local, and foreign income taxes for periods before the merger relating to Viacom's respective businesses. Income tax liabilities relating to discontinued operations and previously disposed businesses have been allocated in accordance with the principles applicable under the Separation Agreement for liabilities relating to those operations and businesses. Other income tax liabilities, including items that do not specifically relate to either business, will be shared equally. Viacom and CBS will generally be jointly responsible for managing any dispute relating to income taxes for which both parties may be responsible. The Tax Matters Agreement also provides that, depending on the event, Viacom may have to indemnify CBS, or CBS may have to indemnify Viacom, for some or all of the taxes resulting from the transactions related to the merger and the distribution of Viacom common stock if the merger and distribution do not qualify as tax-free under Sections 355 and 368 of the Code.

Other Related Party Transactions

In the ordinary course of business, we are involved in related party transactions with equity investees, principally related to investments in unconsolidated variable interest entities as more fully described in Note 3 to our Consolidated Financial Statements. These related party transactions principally relate to the provision of advertising services, licensing of film and programming content, distribution of films and provision of certain administrative support services, for which the impact on our Consolidated Financial Statements is as follows:

Other Related Party Transactions (in millions)	Nine Months Ended September 30, 2010	Year Ended December 31,	
		2009	2008
Consolidated Statements of Earnings			
Revenues	\$ 168	\$ 375	\$ 408
Operating expenses	\$ 53	\$ 207	\$ 249
Selling, general, and administrative	\$ (24)	\$ -	\$ -
	September 30, 2010	December 31, 2009	
Consolidated Balance Sheets			
Accounts receivable	\$ 88	\$ 102	
Other assets	9	10	
Total due from other related parties	\$ 97	\$ 112	
Accounts payable	\$ 26	\$ 39	
Participants' share and residuals, current	-	47	
Other liabilities	29	55	
Current portion of debt	-	65	
Noncurrent portion of debt	-	33	
Total due to other related parties	<u>\$ 55</u>	<u>\$ 239</u>	

All other related party transactions are not material in the periods presented.

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

Disclosures on our market risk are included in “Management’s Discussion and Analysis of Results of Operations and Financial Condition—Market Risk.”

Item 8. Financial Statements and Supplementary Data.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Viacom Inc.

In our opinion, the consolidated financial statements listed in the index appearing under Item 8 present fairly, in all material respects, the financial position of Viacom Inc. and its subsidiaries (the "Company") at September 30, 2010 and December 31, 2009, and the results of their operations and their cash flows for the nine months ended September 30, 2010 and the years ended December 31, 2009 and 2008, 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 accompanying index appearing under Item 8 presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of September 30, 2010, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 8. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included 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. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP
New York, New York
November 11, 2010

VIACOM INC.
CONSOLIDATED STATEMENTS OF EARNINGS

(in millions, except per share amounts)	Nine Months Ended	Year Ended December 31,	
	September 30, 2010	2009	2008
Revenues	\$ 9,337	\$ 13,257	\$ 13,947
Expenses:			
Operating	4,883	7,191	8,167
Selling, general and administrative	2,025	2,642	2,824
Depreciation and amortization	222	379	394
Total expenses	7,130	10,212	11,385
Operating income	2,207	3,045	2,562
Interest expense, net	(320)	(430)	(482)
Equity in net losses of investee companies	(67)	(77)	(74)
Loss on extinguishment of debt	-	(84)	-
Other items, net	(8)	(37)	(112)
Earnings from continuing operations before provision for income taxes	1,812	2,417	1,894
Provision for income taxes	(627)	(762)	(620)
Net earnings from continuing operations	1,185	1,655	1,274
Discontinued operations, net of tax	(321)	(67)	(6)
Net earnings (Viacom and noncontrolling interests)	864	1,588	1,268
Net losses (earnings) attributable to noncontrolling interests	(10)	23	(17)
Net earnings attributable to Viacom	\$ 854	\$ 1,611	\$ 1,251
Amounts attributable to Viacom:			
Net earnings from continuing operations	\$ 1,175	\$ 1,678	\$ 1,257
Discontinued operations, net of tax	(321)	(67)	(6)
Net earnings attributable to Viacom	\$ 854	\$ 1,611	\$ 1,251
Basic earnings per share attributable to Viacom:			
Continuing operations	\$ 1.93	\$ 2.76	\$ 2.01
Discontinued operations	\$ (0.53)	\$ (0.11)	\$ (0.01)
Net earnings	\$ 1.40	\$ 2.65	\$ 2.00
Diluted earnings per share attributable to Viacom:			
Continuing operations	\$ 1.92	\$ 2.76	\$ 2.01
Discontinued operations	\$ (0.52)	\$ (0.11)	\$ (0.01)
Net earnings	\$ 1.40	\$ 2.65	\$ 2.00
Weighted average number of common shares outstanding:			
Basic	608.0	607.1	624.7
Diluted	610.7	608.3	625.4
Dividends declared per share of Class A and Class B common stock	\$ 0.30	\$ -	\$ -

See accompanying notes to Consolidated Financial Statements

VIACOM INC.
CONSOLIDATED BALANCE SHEETS

(in millions, except par value)	September 30, 2010	December 31, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 837	\$ 298
Receivables, net	2,417	2,876
Inventory, net	861	767
Deferred tax assets, net	77	108
Prepaid and other assets	281	244
Assets held for sale	76	137
Total current assets	<u>4,549</u>	<u>4,430</u>
Property and equipment, net	1,102	1,175
Inventory, net	4,145	3,731
Goodwill	11,035	11,107
Intangibles, net	467	554
Deferred tax assets, net	156	-
Other assets	568	589
Assets held for sale	74	314
Total assets	<u>\$ 22,096</u>	<u>\$ 21,900</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 210	\$ 247
Accrued expenses	1,000	1,148
Participants' share and residuals	1,059	1,063
Program rights obligations	390	404
Deferred revenue	256	286
Current portion of debt	31	123
Other liabilities	435	394
Liabilities held for sale	117	86
Total current liabilities	<u>3,498</u>	<u>3,751</u>
Noncurrent portion of debt	6,721	6,650
Participants' share and residuals	453	739
Program rights obligations	691	523
Deferred tax liabilities, net	-	84
Other liabilities	1,343	1,303
Liabilities held for sale	-	5
Redeemable noncontrolling interest	131	168
Commitments and contingencies (Note 14)		
Viacom stockholders' equity:		
Class A Common stock, par value \$0.001, 375.0 authorized; 52.0 and 52.4 outstanding, respectively	-	-
Class B Common stock, par value \$0.001, 5,000.0 authorized; 556.5 and 555.0 outstanding, respectively	1	1
Additional paid-in capital	8,346	8,287
Treasury stock, 151.5 common shares held in treasury	(5,725)	(5,725)
Retained earnings	6,775	6,106
Accumulated other comprehensive income (loss)	(114)	35
Total Viacom stockholders' equity	<u>9,283</u>	<u>8,704</u>
Noncontrolling interests	(24)	(27)
Total equity	<u>9,259</u>	<u>8,677</u>
Total liabilities and equity	<u>\$ 22,096</u>	<u>\$ 21,900</u>

See accompanying notes to Consolidated Financial Statements

VIACOM INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)	Nine Months Ended September 30, 2010	Year Ended December 31,	
		2009	2008
OPERATING ACTIVITIES			
Net earnings (Viacom and noncontrolling interests)	\$ 864	\$ 1,588	\$ 1,268
Discontinued operations, net of tax	321	67	6
Net earnings from continuing operations	1,185	1,655	1,274
Reconciling items:			
Depreciation and amortization	222	379	394
Feature film and program amortization	3,015	4,346	4,808
Equity-based compensation	80	102	99
Equity in net losses and distributions from investee companies	72	86	103
Deferred income taxes	(119)	118	29
Decrease in securitization program	-	(950)	-
Operating assets and liabilities, net of acquisitions:			
Receivables	410	208	153
Inventory, program rights and participations	(3,251)	(4,162)	(4,646)
Accounts payable and other current liabilities	(404)	(512)	(330)
Other, net	(73)	(125)	133
Discontinued operations, net	10	6	19
Cash provided by operations	1,147	1,151	2,036
INVESTING ACTIVITIES			
Acquisitions and investments, net of cash acquired	(63)	(133)	(146)
Capital expenditures	(105)	(139)	(283)
Discontinued operations, net	-	(2)	(142)
Net cash flow used in investing activities	(168)	(274)	(571)
FINANCING ACTIVITIES			
Borrowings	-	5,462	2,845
Debt repayments	(276)	(6,781)	(2,945)
Commercial paper	(16)	16	(56)
Purchase of treasury stock	-	(8)	(1,266)
Dividends paid	(91)	-	-
Other, net	(53)	(77)	(133)
Net cash flow used in financing activities	(436)	(1,388)	(1,555)
Effect of exchange rate changes on cash and cash equivalents	(4)	17	(38)
Net change in cash and cash equivalents	539	(494)	(128)
Cash and cash equivalents at beginning of period	298	792	920
Cash and cash equivalents at end of period	\$ 837	\$ 298	\$ 792

See accompanying notes to Consolidated Financial Statements

VIACOM INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
AND COMPREHENSIVE INCOME

(in millions)	Common Stock Outstanding (shares)	Common Stock/ APIC	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Viacom Stockholders' Equity	Noncontrolling Interests	Total Equity
December 31, 2007	644.8	\$ 8,080	\$ (4,502)	\$ 3,219	\$ 114	\$ 6,911	\$ 8	\$ 6,919
Net earnings				1,251		1,251	17	1,268
Translation adjustments					(40)	(40)	(14)	(54)
Defined benefit pension plans					(119)	(119)	-	(119)
Other					(4)	(4)	-	(4)
Comprehensive income						1,088	3	1,091
Noncontrolling interests				26		26	3	29
Equity-based compensation and other	0.7	107				107	-	107
Purchase of treasury stock	(38.7)		(1,223)			(1,223)	-	(1,223)
December 31, 2008	606.8	8,187	(5,725)	4,496	(49)	6,909	14	6,923
Net earnings				1,611		1,611	(23)	1,588
Translation adjustments					32	32	(1)	31
Defined benefit pension plans					52	52	-	52
Other					-	-	-	-
Comprehensive income						1,695	(24)	1,671
Noncontrolling interests				(1)		(1)	(17)	(18)
Equity-based compensation and other	0.6	101				101	-	101
December 31, 2009	607.4	8,288	(5,725)	6,106	35	8,704	(27)	8,677
Adoption of accounting for consolidation of variable interest entities as of January 1, 2010				(28)		(28)	(12)	(40)
	607.4	8,288	(5,725)	6,078	35	8,676	(39)	8,637
Net earnings				854		854	10	864
Translation adjustments					(81)	(81)	(1)	(82)
Defined benefit pension plans					(60)	(60)	-	(60)
Other					(8)	(8)	-	(8)
Comprehensive income						705	9	714
Noncontrolling interests		(4)		28		24	6	30
Dividends declared				(185)		(185)	-	(185)
Equity-based compensation and other	1.1	63				63	-	63
September 30, 2010	608.5	\$ 8,347	\$ (5,725)	\$ 6,775	\$ (114)	\$ 9,283	\$ (24)	\$ 9,259

See accompanying notes to Consolidated Financial Statements

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Description of Business

Viacom Inc. including its consolidated subsidiaries (“Viacom” or the “Company”) is a leading global entertainment content company, engaging audiences on television, motion picture, Internet and mobile platforms through many of the world’s best known entertainment brands. Viacom operates through two reporting segments: *Media Networks*, which includes MTV Networks (“MTVN”) and BET Networks (“BETN”); and *Filmed Entertainment*. The *Media Networks* segment provides entertainment content for consumers in key demographics attractive to advertisers, content distributors and retailers. The *Filmed Entertainment* segment produces, finances and distributes motion pictures and other entertainment content under the Paramount Pictures, Paramount Vantage, Paramount Classics, MTV Films and Nickelodeon Movies brands. It also acquires films for distribution and has distribution relationships with third parties.

Basis of Presentation

Change in Fiscal Year

In 2010, the Company changed its fiscal year end to September 30 from December 31. The Company made this change to better align its financial reporting period, as well as its annual planning and budgeting process, with the Company’s business cycle, particularly the cable broadcast year. As a result of this change, the Consolidated Financial Statements include the Company’s financial results for the nine-month transition period of January 1, 2010 through September 30, 2010. The unaudited comparative information for the nine months ended September 30, 2009 is included in Note 18. The years ended December 31, 2009 and 2008 reflect the twelve-month results of the respective calendar year.

Accounting Changes

Accounting for Transfers of Financial Assets

In June 2009, the Financial Accounting Standards Board (“FASB”) issued new guidance related to the transfer of financial assets that would have required the Company to reflect receivables sold to third parties under the Company’s accounts receivable securitization programs as securitized borrowings beginning on January 1, 2010. The new guidance did not affect the Company’s Consolidated Financial Statements as there was no activity under the programs during the period from January 1, 2010 through the Company’s termination of the programs in April 2010.

Consolidation of Variable Interest Entities

In June 2009, the FASB issued new guidance that amended the existing criteria for consolidating variable interest entities (“VIEs”). The new consolidation criteria requires an ongoing qualitative assessment of which entity has the power to direct matters that most significantly impact the activities of a VIE and has the obligation to absorb losses or benefits that could be potentially significant to the VIE. The new guidance was effective for the Company beginning January 1, 2010.

At December 31, 2009, the Company held a 49% minority equity interest in DW Funding LLC (“DW Funding”), which owns the DreamWorks live-action film library. Paramount and its international affiliates also held the exclusive distribution rights to the live-action film library, for which Paramount received distribution fees. In addition, the Company guaranteed \$204 million of certain unsecured mezzanine financing of DW Funding. See Note 7 for additional information regarding the guarantee.

Based upon the level of equity investment at risk, the Company previously determined that DW Funding was a VIE; however, under the previous accounting model, the Company did not consolidate DW Funding. In connection with the adoption of the new accounting rules for VIEs, the Company consolidated DW Funding beginning on January 1, 2010. The principal impact on the Company’s Consolidated Financial Statements was an

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

increase in debt of approximately \$400 million and a corresponding increase in other net assets, principally film inventory. As more fully described in Note 3, the Company acquired the remaining 51% of the equity in DW Funding in February 2010.

With respect to the Company's other VIEs, its assessment of which entity has the power to direct matters that most significantly impact the activities of these VIEs did not result in any changes to its previous conclusions as to which entity is the primary beneficiary of these VIEs. See Note 3 for additional information on the Company's involvement with VIEs.

Reclassification

Certain amounts have been reclassified to conform to the 2010 presentation.

Discontinued Operations

Discontinued operations, net of tax, reflects the results of operations of our Harmonix business ("Harmonix") and adjustments related to businesses previously sold, including Famous Players and Blockbuster Inc. ("Blockbuster"), for all periods presented.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements of the Company include the accounts of Viacom Inc., its subsidiaries and VIEs where the Company is considered the primary beneficiary, after elimination of intercompany accounts and transactions. Investments in business entities in which the Company lacks control but does have the ability to exercise significant influence over operating and financial policies are accounted for using the equity method. The Company's proportionate share of net income or loss of the entity is recorded in *Equity in net losses of investee companies* in the Consolidated Statements of Earnings. Related party transactions between the Company and CBS Corporation ("CBS"), National Amusements Inc. ("NAI") and Midway Games, Inc. ("Midway"), which ceased to be a related party on November 28, 2008, have not been eliminated.

Revenue Recognition

The Company recognizes revenue when it is realized or realizable and earned. The Company considers revenue realized or realizable and earned when it has persuasive evidence of an arrangement, delivery has occurred, the sales price is fixed and determinable, and collectibility is reasonably assured. Determining whether some or all of these criteria have been met involves assumptions and judgments, including the evaluation of multiple element arrangements, that can have a significant impact on the timing and amount of revenue the Company reports.

Advertising Revenues

Advertising revenue earned by the *Media Networks* segment is recognized, net of agency commissions, when the advertisement is aired and the contracted audience rating is met. Should the advertisement fail to meet the contracted audience rating, the Company establishes a liability referred to as an audience deficiency unit liability. The liability is typically relieved when the audience rating is met through the provision of additional air time for the advertiser.

Feature Film Revenues

Revenue is recognized from theatrical distribution of motion pictures upon exhibition. For home entertainment product revenue, including sales to wholesalers and retailers, revenue is recognized upon the later of delivery or the date that those products are made widely available for sale by retailers. Revenue from the licensing of feature

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

films and original programming for exhibition in television markets is recognized upon availability for airing by the licensee. Revenue for video-on-demand and similar pay-per-view arrangements are recognized as the feature films are exhibited based on end-customer purchases as reported by the distributor.

Affiliate Fees

Affiliate fees are recognized by the *Media Networks* segment as the service is provided to cable television operators, direct-to-home satellite operators and other distributors.

Ancillary Revenues

Licensing associated with consumer products is typically recognized utilizing contractual royalty rates applied to sales amounts reported by licensees. Revenue for online transactions, such as electronic downloads of films, programming or product add-ons is recognized when the fee is paid by the online customer to purchase the content, the Company is notified by the online retailer that the product has been downloaded and all other revenue recognition criteria are met. Ancillary online subscription revenues are generally recognized on a straight-line basis over the service period.

Gross versus Net Revenue

The Company earns and recognizes revenues as a distributor on behalf of third parties. In such cases, determining whether revenue should be reported on a gross or net basis is based on management's assessment of whether the Company acts as the principal or agent in the transaction. To the extent the Company acts as the principal in a transaction, revenues are reported on a gross basis. Determining whether the Company acts as principal or agent in a transaction involves judgment and is based on an evaluation of whether the Company has the substantial risks and rewards of ownership under the terms of an arrangement.

The Company's most significant distribution arrangements are in connection with certain exclusive distribution rights to and home video fulfillment services for the animated feature films produced by DreamWorks Animation SKG, Inc. and the distribution agreements with MVL Productions LLC ("Marvel"), a subsidiary of The Walt Disney Company, and CBS. Under the terms of these agreements, the Company is generally responsible for all out-of-pocket costs, primarily comprised of distribution and marketing costs. For the provision of distribution services, the Company generally retains a fee based upon a percentage of gross receipts and recovers expended distribution and marketing costs on a title-by-title basis prior to any participation payments to the contracting parties of the films, except as pertains to certain contractually agreed upon advance payments. As primary obligor, revenue and related distribution and marketing costs for these arrangements are presented on a gross basis.

Sales Returns, Allowances & Uncollectible Accounts

The Company records a provision for sales returns and allowances, including price protection incentives, at the time of sale based upon an estimate of future returns, rebates and other incentives ("estimated returns"). In determining estimated returns, the Company considers numerous sources of qualitative and quantitative evidence including forecasted sales data, customers' rights of return, units shipped and units remaining at retail, historical return rates for similar product, current economic trends, competitive environment, promotions and sales strategies. Reserves for accounts receivable are based on amounts estimated to be uncollectible. The Company's reserve for sales returns and allowances was \$254 million and \$416 million at September 30, 2010 and December 31, 2009, respectively. The Company's allowance for doubtful accounts was \$76 million and \$94 million at September 30, 2010 and December 31, 2009, respectively. The decreases principally reflect a reduction in the sale and shipment of home entertainment products.

Inventory

Inventories related to theatrical and original media network programming content (which include direct production costs, production overhead, acquisition costs and development costs) are stated at the lower of amortized cost or fair value.

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

Film inventories, which are included as a component of *Inventory, net*, in the Consolidated Balance Sheets, are amortized and estimated liabilities for residuals and participations are accrued using an individual-film-forecast-computation method based on the ratio of current period to estimated remaining total revenues (“ultimate revenues”). Ultimate revenues for feature films include revenues from all sources that are estimated to be earned within ten years from the date of a film’s initial theatrical release. For acquired film libraries, the Company’s estimate of ultimate revenues is for a period within 20 years from the date of acquisition. These estimates are periodically reviewed and adjustments, if any, will result in changes to inventory amortization rates, estimated accruals for residuals and participations or possibly the recognition of an impairment charge to operating income. The Company has entered into film financing arrangements that involve the sale of a partial copyright interest in a film. Amounts received under these arrangements are deducted from the film’s cost.

The cost of theatrical development projects is amortized over a three-year period unless they are abandoned earlier, in which case these projects are written down to their estimated net realizable value in the period the decision to abandon the project is determined. The Company has a rigorous greenlight process designed to manage the risk of loss or abandonment.

The Company acquires rights to programming and produces original programming to exhibit on its media networks which is also included as a component of *Inventory, net*, in the Consolidated Balance Sheets. The costs incurred in acquiring and producing programs are capitalized and amortized over the license period or projected useful life of the programming if shorter. Original programming development costs are expensed unless a project is greenlit for production. An impairment charge is recorded when the fair value of the original programming is less than the unamortized production cost or the programming is abandoned.

Acquired program rights and obligations are recorded based on the gross amount of the liability when the license period has begun, and when the program is accepted and available for airing. Acquired programming is stated at the lower of unamortized cost or net realizable value. Net realizable value of acquired rights programming is evaluated quarterly by the Company on a daypart basis, which is defined as an aggregation of programs broadcast during a particular time of day or an aggregation of programs of a similar type. The Company aggregates similar programming based on the specific demographic targeted by each respective program service. Net realizable value is determined by estimating advertising revenues to be derived from the future airing of the programming within the daypart as well as an allocation of affiliate fee revenue to the programming. An impairment charge may be necessary if the Company’s estimates of future cash flows of similar programming are insufficient or if programming is abandoned.

Merchandising and other inventories are valued at the lower of cost or net realizable value. Cost is determined using the average cost method. Obsolescence reserves are based on estimates of future product demand.

Advertising Expense

The Company expenses advertising costs as they are incurred. The Company incurred total advertising expenses of \$869 million in the nine months ended September 30, 2010 and \$1.248 billion and \$1.603 billion in the years ended December 31, 2009 and 2008, respectively.

Business Combinations and Intangible Assets Including Goodwill

The Company accounts for business combinations using the acquisition method of accounting. Under the acquisition method, once control is obtained of a business, 100% of the assets, liabilities and certain contingent liabilities acquired, including amounts attributed to noncontrolling interests, are recorded at fair value. Goodwill represents the residual difference between the fair value of consideration paid and the net assets acquired, and transaction costs are expensed as incurred.

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

Identifiable intangible assets with finite lives are amortized over their estimated useful lives, which range from 3 to 15 years. Goodwill and identifiable intangible assets with indefinite lives are not amortized, but rather are tested annually for impairment, or sooner when circumstances indicate impairment may exist.

In connection with the change in fiscal year end, the Company changed the date of its annual goodwill impairment test from October 1 to August 31. This change is preferable as it aligns the timing of the annual goodwill impairment test with the Company's planning and budgeting process, which will allow the Company to utilize the updated business plans that result from the budget process in the discounted cash flow analyses that we use to estimate the fair value of the Company's reporting units.

Impairment

Amortizable intangible assets and other long-lived assets are tested for impairment utilizing an income approach based on undiscounted cash flows upon the occurrence of certain triggering events and, if impaired, written down to fair value. Goodwill and indefinite-lived intangible assets are tested for impairment using a fair value approach at the reporting unit level for goodwill. A reporting unit is the operating segment, or a business which is one level below that operating segment.

In connection with its annual goodwill impairment test, the Company recorded a \$230 million goodwill impairment charge related to Harmonix. The estimated fair value of Harmonix was determined using a discounted cash flow analysis. Significant assumptions reflected in the analysis include the estimated future cash flows of the business and discount rate. A one percentage point change in the perpetual growth rate or discount rate would not have resulted in a significant change in the goodwill impairment charge.

Comprehensive Income

Comprehensive income includes net earnings, foreign currency translation adjustments, amortization of amounts related to defined benefit plans, unrealized gains or losses on certain derivative financial instruments, and unrealized gains and losses on investments in equity securities which are publicly traded.

Earnings per Common Share

Basic earnings per common share excludes potentially dilutive securities and is computed by dividing *Net earnings attributable to Viacom* by the weighted average number of common shares outstanding during the period. The determination of diluted earnings per common share includes the potential dilutive effect of equity-based compensation awards based upon the application of the treasury stock method. Anti-dilutive common shares were excluded from the calculation of diluted earnings per common share.

The following table sets forth the computation of the common shares outstanding utilized in determining basic and diluted earnings per common share and anti-dilutive shares:

Common Shares Outstanding and Anti-Dilutive Common Shares (in millions)	Nine Months Ended September 30, 2010	Year Ended December 31,	
		2009	2008
Weighted average common shares outstanding, basic	608.0	607.1	624.7
Dilutive effect of equity-based compensation awards	2.7	1.2	0.7
Weighted average common shares outstanding, diluted	610.7	608.3	625.4
Anti-dilutive common shares	37.1	41.1	43.9

Provision for Income Taxes

The Company's provision for income taxes includes the current tax owed on the current period earnings, as well as a deferred provision which reflects the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective income tax bases.

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Changes in existing tax laws and rates, their related interpretations, as well as the uncertainty generated by the prospect of unfavorable tax legislation in the future may affect the amounts of deferred tax liabilities or the realizability of deferred tax assets.

For tax positions we have taken or expect to take in a tax return, we apply a more likely than not assessment (i.e., there is a greater than 50 percent chance) that the tax position will be sustained upon examination by the appropriate tax authority with full knowledge of all relevant information. Amounts recorded for uncertain tax positions are periodically assessed, including the evaluation of new facts and circumstances, to ensure sustainability of the position. Interest and penalties related to uncertain tax positions are included in the *Provision for income taxes* in the Consolidated Statements of Earnings. Liabilities for uncertain tax positions are classified as *Other liabilities – current or noncurrent* in the Consolidated Balance Sheets based on when they are expected to be paid.

Pension and Other Postretirement Benefits

The Company's defined benefit pension plans principally consist of both funded and unfunded noncontributory plans covering the majority of domestic employees and retirees. Pension and other postretirement benefits are based on formulas that reflect the employees' years of service and compensation during their employment period and participation in the plans. The unfunded plans are currently frozen to future benefit accruals. The expense recognized by the Company is determined using certain assumptions, including the expected long-term rate of return, discount rate and rate of compensation increases, among others. The Company recognizes the funded status of its defined benefit and other postretirement plans (other than a multiemployer plan) as an asset or liability in the Consolidated Balance Sheets and recognizes changes in the funded status in the year in which the changes occur through *Accumulated other comprehensive income (loss)* in the Consolidated Balance Sheets.

Property and Equipment

Property and equipment is stated at cost. Depreciation is calculated using the straight-line method. Leasehold improvements are amortized using the straight-line method over the shorter of their useful lives or the life of the lease. Costs associated with repairs and maintenance of property and equipment are expensed as incurred.

Equity-Based Compensation

The Company measures the cost of employee services received in exchange for an award of equity instruments based on the grant date fair value of the award. The fair value received is recognized in earnings over the period during which an employee is required to provide service.

Investments

The Company's investments primarily consist of investments in equity. Investments in which the Company has a significant influence, but not a controlling interest, are accounted for using the equity method. Other investments are carried at fair value, to the extent publicly traded, with unrealized gains and losses recorded in other comprehensive income, or at cost. The Company monitors its investments for impairment at least annually and makes appropriate reductions in carrying values if the Company determines that an impairment charge is required based on qualitative and quantitative information. The Company's investments are included in *Other assets - noncurrent* in the Consolidated Balance Sheets.

Guarantees

At the inception of a guarantee, the Company recognizes a liability for the fair value of an obligation assumed by issuing the guarantee. The related liability is subsequently reduced as utilized or extinguished and increased if there is a probable loss associated with the guarantee which exceeds the value of the recorded liability.

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

Restructuring Costs

Restructuring costs associated with exit or disposal activities are recorded at fair value and recognized when the costs are incurred.

Derivative Financial Instruments

Derivative financial instruments are recorded on the Consolidated Balance Sheets as assets or liabilities and measured at fair value. For derivatives designated as hedges of the fair value of assets or liabilities, the changes in fair value of both the derivatives and the hedged items are recorded in current earnings as part of *Other items, net* in the Consolidated Statements of Earnings. For derivatives designated as cash flow hedges, the effective portion of the changes in fair value of the derivatives is recorded in *Accumulated other comprehensive income (loss)* in the Consolidated Balance Sheets and subsequently recognized in earnings when the hedged items impact income. Changes in the fair value of derivatives not designated as hedges and the ineffective portion of cash flow hedges are recorded in earnings. The Company does not hold or enter into financial instruments for speculative trading purposes.

Foreign Currency Translation

Assets and liabilities of subsidiaries with a functional currency other than United States ("U.S.") Dollar are translated into U.S. Dollars using period-end exchange rates, while results of operations are translated at average exchange rates during the period. Foreign currency translation gains and losses are included as a component of *Accumulated other comprehensive income (loss)* in the Consolidated Balance Sheets. Foreign subsidiaries using the U.S. Dollar as the functional currency include remeasurement adjustments in earnings.

Prior to January 1, 2009 the foreign operations of the *Filmed Entertainment* segment were consolidated using the U.S. Dollar as the functional currency as the majority of the cash inflows and outflows of these subsidiaries were denominated in U.S. Dollars. Due to changes in the terms and conditions of significant operating arrangements at the *Filmed Entertainment* segment, effective January 1, 2009 the majority of the cash inflows and outflows of these foreign operations are now denominated in local currency. Accordingly, substantially all of the Company's foreign operations are consolidated using the local currency as the functional currency.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. This clarified definition of fair value was adopted prospectively for all recurring measurements of fair value beginning on January 1, 2008, and for all nonrecurring measurements of fair value beginning on January 1, 2009. The framework for measuring fair value provides a hierarchy that prioritizes the inputs to valuation techniques used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

The Company's recurring fair value measures relate to marketable securities and derivative instruments. The Company's non-financial assets and non-financial liabilities subject to non-recurring measures include goodwill and intangible assets and are Level 3 measurements.

Treasury Stock

Treasury stock is accounted for using the cost method.

Cash and Cash Equivalents

All highly liquid investments with maturities of three months or less at the date of purchase are considered to be cash equivalents.

Use of Estimates

Preparing financial statements in conformity with generally accepted accounting principles ("GAAP") requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities as of the dates presented and the reported amounts of revenues and expenses during the reporting periods presented. Significant estimates inherent in the preparation of the accompanying Consolidated Financial Statements include estimates of film ultimate revenues, product returns, allowance for doubtful accounts, potential outcome of uncertain tax positions, fair value of acquired assets and liabilities, fair value of equity-based compensation and pension benefit assumptions. Estimates are based on past experience and other considerations reasonable under the circumstances. Actual results may differ from these estimates.

NOTE 3. ACQUISITIONS & INVESTMENTS

In the nine months ended September 30, 2010 and the years ended December 31, 2009 and 2008, the Company invested \$63 million, \$133 million and \$146 million, respectively, in acquisitions and investments.

At September 30, 2010 and December 31, 2009, the Company had equity method investments totaling \$146 million and \$186 million, respectively. The Company holds an equity interest of approximately 50% in EPIX, a joint venture formed with Lionsgate and Metro-Goldwyn Mayer in April 2008 to exhibit certain motion pictures on behalf of the equity partners' movie studios through a premium pay television channel and video-on-demand services available on multiple platforms.

In July 2010, the Company entered into a supplemental agreement with Network 18 Fincap Limited, its partner in Viacom 18, a joint venture in India. The partners each agreed to provide Viacom 18 with approximately \$70 million of future funding, approximately \$45 million of which was funded in September 2010, and to guarantee bank debt of Viacom 18 on a pro rata basis, up to \$100 million each, to the extent needed and subject to prior approval by both partners. The partners have not yet approved any borrowings subject to this guarantee. As a result of the agreement, the Company is no longer committed to fund previously unspent funding commitments. Other than such commitments to Viacom 18, the Company has no other significant future funding commitments to equity investees.

In February 2010, the Company acquired the remaining 51% that we did not already own of the equity in DW Funding in exchange for the assumption of approximately \$400 million of debt. In October 2009, the Company acquired the global rights to the Teenage Mutant Ninja Turtles for \$64 million. The pro forma impact of business combinations completed during the nine months ended September 30, 2010 and each of the years ended December 31, 2009 and 2008, either individually or in the aggregate, were not material to the Company.

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

Variable Interest Entities

In the normal course of business, the Company enters into joint ventures or makes investments with business partners that support its underlying business strategy and provide it the ability to enter new markets to expand the reach of its brands, develop new programming and/or distribute its existing content. In certain instances, an entity in which the Company makes an investment may qualify as a VIE. In determining whether the Company is the primary beneficiary of a VIE, the Company assesses whether it has the power to direct matters that most significantly impact the activities of the VIE and has the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE.

Unconsolidated Variable Interest Entities

The Company has a number of unconsolidated investments in which it holds a non-controlling ownership interest, including but not limited to Rhapsody, EPIX and Viacom 18. These arrangements are typically entered into with strategic partners and generally contain the following governance provisions: (i) the funding of the venture is provided by the equity holders pro rata based on their ownership interest; (ii) the investments are initially funded to meet short-term working capital requirements with funding commitments provided by the partners to fund future operating needs; (iii) commercial arrangements between the Company, the venture and other related parties are negotiated between the parties and are believed to be at market rates; and (iv) voting rights are consistent with the equity holders' rights and obligations to share in the profits and losses of the variable interest entity. In connection with these investment arrangements the Company does not have the power to direct matters that most significantly impact the activities of the VIE and therefore does not qualify as the primary beneficiary. Accordingly, these investments are accounted for under the equity method of accounting and are included in *Other assets-noncurrent* in the Consolidated Balance Sheets. In these arrangements, the Company's risk of loss is typically limited to its carrying value and future funding commitments.

At September 30, 2010 and December 31, 2009, the Company's aggregate investment carrying value in unconsolidated VIEs was \$98 million and \$144 million, respectively. The impact of the Company's unconsolidated VIEs on its Consolidated Financial Statements, including related party transactions, is further described in Note 13.

Consolidated Variable Interest Entities

In April 2008, MTV Networks' Hispanic-oriented cable network MTV Tr3s acquired an interest in a television broadcaster to expand its reach to Hispanic audiences in the Los Angeles and other southwest markets where the target company held broadcast licenses. The Company acquired a non-voting equity interest in the broadcaster of approximately 32% and has certain rights and obligations related to its investment, including the guarantee of third-party bank debt. The Company has determined that it is the primary beneficiary as it has the power to direct certain matters that significantly impact the activities of the VIE and the obligation to absorb losses that could be potentially significant to the VIE through its equity interest and its guarantee of third-party bank debt. Accordingly, the Company consolidates the entity. As of September 30, 2010 and December 31, 2009, there are \$37 million and \$43 million of assets and \$84 million and \$85 million of liabilities, respectively, in respect of this entity included within the Company's Consolidated Balance Sheets. The operating results of this consolidated VIE in 2009 included a \$60 million non-cash impairment charge related to certain broadcast licenses held by the entity. The impact to *Net earnings attributable to Viacom* in 2009 was a reduction of \$19 million, with the remaining \$41 million allocated to the noncontrolling interest. Except for the 2009 impairment charge, the revenues, expenses and operating income for the nine months ended September 30, 2010 and the years ended December 31, 2009 and 2008 were not significant to the Company.

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

NOTE 4. GOODWILL AND INTANGIBLES

Goodwill

For the nine months ended September 30, 2010 and the year ended December 31, 2009, the changes in the book value of goodwill by segment were as follows:

Goodwill (in millions)	Media Networks	Filmed Entertainment	Total
Balance at December 31, 2008	\$ 9,453	\$ 1,625	\$11,078
Purchase price adjustments	11	-	11
Foreign currency translation	18	-	18
Balance at December 31, 2009	9,482	1,625	11,107
Foreign currency translation	(39)	-	(39)
Other	(1)	(32)	(33)
Balance at September 30, 2010	<u>\$ 9,442</u>	<u>\$ 1,593</u>	<u>\$11,035</u>

Intangibles

The following table details the Company's intangible asset balances by major asset classes:

Intangibles (in millions)	September 30, 2010	December 31, 2009
Finite lived intangible assets:		
Subscriber agreements	\$ 62	\$ 61
Film distribution and fulfillment services	280	344
Other intangible assets	338	361
Total finite lived intangible assets	<u>680</u>	<u>766</u>
Accumulated amortization on finite lived intangible assets:		
Subscriber agreements	(23)	(20)
Film distribution and fulfillment services	(163)	(184)
Other intangible assets	(173)	(165)
Total accumulated amortization on finite lived intangible assets	<u>(359)</u>	<u>(369)</u>
Finite lived intangible assets, net	<u>\$ 321</u>	<u>\$ 397</u>
Trademarks and other, indefinite lived	146	157
Total intangibles, net	<u>\$ 467</u>	<u>\$ 554</u>

Amortization expense relating to intangible assets was \$61 million for the nine months ended September 30, 2010 and \$155 million and \$131 million for the years ended December 31, 2009 and 2008, respectively. The Company expects its aggregate annual amortization expense for existing intangible assets subject to amortization at September 30, 2010 to be as follows for each of the next five fiscal years:

Amortization of Intangibles (in millions)	2011	2012	2013	2014	2015
Amortization expense	\$ 76	\$ 61	\$ 56	\$ 27	\$ 17

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

NOTE 5. INVENTORY

Inventory (in millions)	September 30, 2010	December 31, 2009
Film inventory:		
Released, net of amortization	\$ 900	\$ 770
Completed, not yet released	83	173
In process and other	652	467
Total film inventory, net of amortization	1,635	1,410
Original programming:		
Released, net of amortization	1,033	956
Completed, not yet released	5	6
In process and other	475	451
Total original programming, net of amortization	1,513	1,413
Acquired program rights, net of amortization	1,708	1,504
Merchandise and other inventory, net of allowance of \$73 and \$80	150	171
Total inventory, net	5,006	4,498
Less current portion of inventory, net	(861)	(767)
Total inventory-noncurrent, net	\$ 4,145	\$ 3,731

The Company expects to amortize approximately \$890 million of original programming and film inventory, including released and completed, not yet released during the fiscal year ending September 30, 2011 using the individual-film-forecast-computation method. In addition, the Company expects to amortize 84% of unamortized released original programming and film inventory, excluding acquired film libraries, at September 30, 2010 within the next three years. As of September 30, 2010, unamortized film libraries of \$273 million remain to be amortized based on the respective film ultimates, where available, or on a straight-line basis over a remaining life of six years.

NOTE 6. DEBT

Total debt of the Company consists of the following:

Debt (in millions)	September 30, 2010	December 31, 2009
Senior Notes and Debentures:		
Senior notes due April 2011, 5.750%	\$ 193	\$ 193
Senior notes due September 2014, 4.375%	597	596
Senior notes due September 2015, 4.250%	250	250
Senior notes due April 2016, 6.250%	1,496	1,496
Senior notes due October 2017, 6.125%	497	497
Senior notes due September 2019, 5.625%	554	554
Senior debentures due April 2036, 6.875%	1,735	1,735
Senior debentures due October 2037, 6.750%	248	248
Senior notes due December 2055, 6.850%	750	750
Commercial paper	-	16
Capital lease and other obligations	432	438
Total debt	6,752	6,773
Less current portion	(31)	(123)
Total noncurrent portion	\$ 6,721	\$ 6,650

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

Senior Notes and Debentures

In the third quarter of 2009 the Company issued a total of \$1.4 billion of senior notes with maturities of five, six and ten years and used the proceeds to repurchase a substantial portion of its shorter term 5.75% Senior Notes due 2011 as further described below.

In August 2009, the Company issued \$600 million aggregate principal amount of 4.375% Senior Notes due 2014 at a price equal to 99.291% of the principal amount, and \$250 million aggregate principal amount of 5.625% Senior Notes due 2019 at a price equal to 99.247% of the principal amount. In September 2009, the Company issued \$250 million aggregate principal amount of 4.250% Senior Notes due 2015 at a price equal to 99.814% of the principal amount, and an additional \$300 million aggregate principal amount of its 5.625% Senior Notes due 2019 at a price equal to 101.938% of the principal amount.

The Company used the net cash proceeds from these offerings of \$1.393 billion to conduct a cash tender offer to repurchase any and all of the aggregate principal of its \$1.5 billion 5.75% Senior Notes due 2011 at a purchase price of \$1,061.25 per \$1,000 of principal. The Company's repurchase of \$1.307 billion of principal pursuant to the tender offer resulted in a pre-tax extinguishment loss of \$84 million. At September 30, 2010, \$193 million of principal remained outstanding on the 5.75% Senior Notes due 2011.

In 2009, the Company also repurchased in the open market or paid off at maturity its \$750 million of Senior Notes due June 16, 2009.

The Company's outstanding senior notes and debentures provide for certain covenant packages typical for an investment grade company. There is one acceleration trigger for certain of the senior notes and debentures in the event of a change in control under certain specified circumstances coupled with ratings downgrades due to the change in control. At September 30, 2010 and December 31, 2009, the total unamortized net discount related to the fixed rate senior notes and debentures was \$23 million and \$24 million, respectively.

The fair value of the Company's senior notes and debentures exceeded the carrying value by \$894 million and \$335 million as of September 30, 2010 and December 31, 2009, respectively. The valuation of the Company's publicly traded debt is based on quoted prices in active markets.

Credit Facility

At September 30, 2010 and December 31, 2009, the Company had a single \$3.25 billion revolving facility due December 2010, which we terminated on October 8, 2010 in connection with our entering into a new \$2.0 billion revolving credit facility. The new facility matures in October 2013. There were no amounts outstanding under the prior credit facility at September 30, 2010. Consistent with the prior facility, the primary purpose of the new facility is to fund short-term liquidity needs and to support commercial paper borrowings. Borrowing rates under each facility are determined at the time of each borrowing and are based generally on LIBOR plus a margin based on the Company's public debt rating. Under the new facility, this margin can range from 0.75% to 2.0% based on the Company's current credit rating. A facility fee is paid based on the total amount of the commitments. Each facility contains typical covenants for an investment grade company. Each facility contains only one financial covenant that requires the Company's interest coverage, for the most recent four consecutive fiscal quarters to be at least 3.0x, which it met at September 30, 2010.

Commercial Paper

There were no amounts outstanding under the Company's commercial paper program at September 30, 2010. At December 31, 2009, the outstanding commercial paper of \$16 million had a weighted average interest rate of 0.22% and a weighted average maturity of less than 30 days.

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

Current Portion of Debt

Amounts classified in the current portion of debt consist of the portion of capital leases payable in the next twelve months. The Senior Notes due in April 2011 are classified as long-term debt as the Company has the intent and ability, through utilization of its \$2.0 billion revolving credit facility due October 2013, to refinance this debt.

Scheduled Debt Maturities

The Company's scheduled maturities of debt at face value for each of the next five fiscal years, excluding capital leases, outstanding at September 30, 2010 are as follows:

Maturities of Debt Excluding Capital Leases (in millions)	Year 1	Year 2	Year 3	Year 4	Year 5	After 5 Years
Debt	\$ 193	\$ 138	\$ 84	\$ 600	\$ 250	\$ 5,300

NOTE 7. FINANCIAL INSTRUMENTS

The Company uses derivative financial instruments to modify its exposure to market risks from changes in foreign exchange rates and interest rates. The Company conducts business in various countries outside the United States, resulting in exposure to movements in foreign exchange rates when translating from the foreign local currency to the U.S. Dollar. Foreign currency forward contracts are used to economically hedge anticipated cash flows and foreign currency balances in such currencies as the British Pound, the Australian Dollar, the Euro, the Japanese Yen and the Canadian Dollar. From time to time the Company enters into forward contracts to hedge future production costs or programming obligations or a hedge of the foreign currency exposure of a net investment in a foreign operation. The change in fair value of non-designated foreign exchange contracts is included in current period earnings as part of *Other items, net* in the Consolidated Statements of Earnings. The Company manages the use of foreign exchange derivatives centrally.

At September 30, 2010 and December 31, 2009, the notional value of all foreign exchange contracts was \$150 million and \$300 million, respectively. In 2010, \$94 million related to net investments in foreign operations, \$13 million related to expected foreign currency net cash flows and \$43 million related to programming obligations. In 2009, \$233 million related to net investments in foreign operations, \$51 million related to expected foreign currency net cash flows and \$16 million related to programming obligations. The net fair value of the Company's foreign exchange contracts was \$1 million as of September 30, 2010.

A portion of the Company's interest expense is exposed to movements in short-term rates. Interest rate hedges may be used to modify this exposure at the discretion of the Company. As of September 30, 2010 and December 31, 2009, there were no interest rate hedges outstanding; however the Company had unrecognized gains related to terminated interest rate swaps of \$34 million and \$39 million, respectively, which are included in *Accumulated other comprehensive income (loss)* in the Consolidated Balance Sheets. Such balances are being recognized as a reduction of *Interest expense, net* in the Consolidated Statements of Earnings over the life of the related senior notes and debentures.

At September 30, 2010, the Company's financial assets and liabilities reflected in the Consolidated Financial Statements at fair value consist of marketable securities and foreign exchange contracts. Fair value for marketable securities is determined utilizing a market approach based on quoted market prices in active markets at period end. Fair value for foreign exchange contracts is determined utilizing a market-based approach.

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

The following table summarizes the valuation of the Company's financial assets and liabilities as of September 30, 2010 and December 31, 2009:

Financial Asset (Liability) (in millions)	Total	Quoted Prices In Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
September 30, 2010				
Marketable securities	\$ 78	\$ 78	\$ -	\$ -
Foreign exchange contracts	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>
Total	<u>\$ 79</u>	<u>\$ 78</u>	<u>\$ 1</u>	<u>\$ -</u>
December 31, 2009				
Marketable securities	\$ 79	\$ 79	\$ -	\$ -
Other financial instruments	<u>(57)</u>	<u>-</u>	<u>(3)</u>	<u>(54)</u>
Total	<u>\$ 22</u>	<u>\$ 79</u>	<u>\$ (3)</u>	<u>\$ (54)</u>

The \$54 million of Level 3 other financial instruments as of December 31, 2009 related to the Company's guarantee of certain debt of DW Funding. The guarantee was terminated during the quarter ended March 31, 2010. No gain or loss was recognized upon termination.

NOTE 8. STOCKHOLDERS' EQUITY

Common Stock

The Viacom Board of Directors has the power to issue shares of authorized but unissued Class A common stock and Class B common stock without further stockholder action, subject to the requirements of applicable law and stock exchanges. Viacom's certificate of incorporation authorizes 375 million shares of Class A common stock and 5 billion shares of Class B common stock. The number of authorized shares of Class A common stock and Class B common stock could be increased with the approval of the stockholders of a majority of the outstanding shares of Class A common stock and without any action by the holders of shares of Class B common stock.

The following is a description of the material terms of Viacom's capital stock. The following description is not meant to be complete and is qualified by reference to Viacom's certificate of incorporation and bylaws and Delaware General Corporation Law.

Voting Rights

Holders of Class A common stock are entitled to one vote per share. Holders of Class B common stock do not have any voting rights, except as required by Delaware law. Generally, all matters to be voted on by Viacom stockholders must be approved by a majority of the aggregate voting power of the shares of Class A common stock present in person or represented by proxy, except as required by Delaware law.

Dividends

Stockholders of Class A common stock and Class B common stock will share ratably in any cash dividend declared by the Board of Directors, subject to any preferential rights of any outstanding preferred stock. On June 9, 2010, the Company's Board of Directors approved a quarterly cash dividend on its Class A and Class B common stock. The Company paid quarterly dividends of \$0.15 per share on July 1 and October 1, 2010 to stockholders of record at the close of business on June 21 and August 31, 2010, respectively. Dividends paid on each of July 1 and October 1, 2010 was \$91 million.

Conversion

So long as there are 5,000 shares of Class A common stock outstanding, each share of Class A common stock will be convertible at the option of the holder of such share into one share of Class B common stock.

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

Liquidation Rights

In the event of liquidation, dissolution or winding-up of Viacom, all stockholders of common stock, regardless of class, will be entitled to share ratably in any assets available for distributions to stockholders of shares of Viacom common stock subject to the preferential rights of any outstanding preferred stock.

Split, Subdivisions or Combination

In the event of a split, subdivision or combination of the outstanding shares of Class A common stock or Class B common stock, the outstanding shares of the other class of common stock will be divided proportionally.

Preemptive Rights

Shares of Class A common stock and Class B common stock do not entitle a stockholder to any preemptive rights enabling a stockholder to subscribe for or receive shares of stock of any class or any other securities convertible into shares of stock of any class of Viacom.

Preferred Stock

The Company's capital stock includes 25 million authorized shares of preferred stock with a par value of \$0.001 per share. At September 30, 2010 and December 31, 2009, none of the 25 million authorized shares of the preferred stock were issued and outstanding.

Other Comprehensive Income (Loss)

Total changes in stockholders' equity are included in the Consolidated Statements of Stockholders' Equity and Comprehensive Income. The pre-tax and after-tax components of *Other comprehensive income (loss)* are as follows:

Other Comprehensive Income (Loss) (in millions)	Pre-Tax	Tax	After-Tax
Year ended December 31, 2008			
Translation adjustments	\$ (54)	\$ -	\$ (54)
Defined benefit pension plans	(194)	75	(119)
Other	(7)	3	(4)
	<u>\$ (255)</u>	<u>\$ 78</u>	<u>\$ (177)</u>
Year ended December 31, 2009			
Translation adjustments	\$ 31	\$ -	\$ 31
Defined benefit pension plans	87	(35)	52
Other	(5)	5	-
	<u>\$ 113</u>	<u>\$ (30)</u>	<u>\$ 83</u>
Nine months ended September 30, 2010			
Translation adjustments	\$ (82)	\$ -	\$ (82)
Defined benefit pension plans	(99)	39	(60)
Other	(9)	1	(8)
	<u>\$ (190)</u>	<u>\$ 40</u>	<u>\$ (150)</u>

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

The components of *Accumulated other comprehensive income (loss)* are as follows:

Accumulated Other Comprehensive Income (Loss) (in millions)	September 30,	December 31,	
	2010	2009	2008
Translation adjustments*	\$ 13	\$ 94	\$ 62
Unrealized (loss) gain on securities	-	3	(2)
Cash flow hedges	34	39	44
Defined benefit pension plans	(161)	(101)	(153)
	<u>\$ (114)</u>	<u>\$ 35</u>	<u>\$ (49)</u>

* Includes translation adjustments related to noncontrolling interests and the redeemable noncontrolling interest of \$1 million for the nine months ended September 30, 2010 and \$1 million and \$14 million for the years ended December 31, 2009 and 2008, respectively.

Stock Repurchase Program

On June 9, 2010, the Company's Board of Directors authorized an increase in the funds available to purchase Class B common stock under the Company's stock repurchase program to \$4.0 billion from the existing remaining capacity of \$1.275 billion. Until the Company resumed share repurchases under the program on October 1, 2010, we had not purchased any shares under the program since December 31, 2008. From October 1, 2010 through November 10, 2010, we have repurchased 4.3 million shares for an aggregate purchase price of \$162 million.

For the year ended December 31, 2008, 35.1 million shares were repurchased in the open market under the \$4.0 billion program for an aggregate purchase price of \$1.099 billion and an additional 3.6 million shares were purchased from NAI under an agreement with NAI for an aggregate purchase price of \$124 million. The agreement with NAI was terminated effective October 10, 2008.

NOTE 9. EQUITY-BASED COMPENSATION

The Company's 2006 Long-Term Management Incentive Plan, as amended and restated on December 2, 2008 (the "LTMIIP") provides for various types of equity awards, including stock options, stock appreciation rights, restricted shares, restricted share units ("RSUs"), unrestricted shares of Class B common stock, phantom shares, dividend equivalents, performance share units ("PSUs") and performance-based RSUs ("PRSUs") and other awards, or a combination of any of the above. In addition, the Company's director equity plans provide for automatic grants of stock options and RSUs to outside directors each year. The Company has primarily granted stock options and RSUs to employees. Certain senior executives have also received PSUs and PRSUs.

Stock options generally vest ratably over a four-year period from the date of grant and expire eight to ten years after the date of grant. RSUs typically vest ratably over a four-year period from the date of the grant. The Company grants PSUs with the target number of PSUs granted to an executive representing the right to receive a corresponding number of shares of Class B common stock, subject to adjustment depending on the total shareholder return ("TSR") of the Company's Class B common stock measured against the TSR of the common stock of the companies comprising the S&P 500 Index at the start of the measurement period. The measurement period is at least three years. The number of shares of Class B common stock an executive is entitled to receive at the end of the applicable measurement period ranges from 0% to 200/300% of the target PSU award. If Viacom's percentile rank of TSR relative to the TSR for the companies in the S&P 500 Index is less than the 25th percentile, the target grant is forfeited unless the Company has achieved a specified level of earnings per share set for the measurement period, in which case the executive would receive a percentage of the target award. The PRSUs vest in four equal annual installments and will deliver, at the time of vesting, 75% to 125% of the target number of shares of Class B common stock underlying the PRSUs, depending on the achievement of

VIACOM INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(continued)

Company financial targets over specified periods. RSUs, PSUs and PRSUs accrue dividends each time the Company declares a quarterly cash dividend while the award is outstanding, which are paid upon vesting on the number of shares delivered and are forfeited if the award does not vest.

Upon the exercise of a stock option award or the vesting of RSUs, PSUs or PRSUs, shares of Class B common stock are issued from authorized but unissued shares or from treasury stock. At September 30, 2010, the Company had 151.5 million shares in treasury. The aggregate number of equity awards authorized and available under the LTMIP for future grants as of September 30, 2010 and December 31, 2009 was approximately 39.5 million and 44.7 million, respectively, assuming that outstanding PSU and PRSU awards are paid at target except for those awards for which the measurement period has been completed.

Presented below is a summary of the compensation cost recognized in the accompanying Consolidated Statements of Earnings:

Equity-Based Compensation Expense (in millions)	Nine Months Ended September 30, 2010	Year Ended December 31,	
		2009	2008
Recognized in earnings:			
Stock options	\$ 31	\$ 34	\$ 42
RSUs, PSUs and PRSUs	49	68	57
Total compensation cost in earnings	<u>\$ 80</u>	<u>\$ 102</u>	<u>\$ 99</u>
Tax benefit recognized	\$ 28	\$ 38	\$ 37
Capitalized equity-based compensation expense	\$ 6	\$ 11	\$ 14

Stock Options

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model. The determination of volatility is principally based upon implied volatilities from traded options. The expected term, representing the period of time that options granted are expected to be outstanding, is estimated using a lattice-based model incorporating historical post vest exercise and employee termination behavior. The risk-free rate assumed in valuing the options is based on the U.S. Treasury Yield curve in effect applied against the expected term of the option at the time of the grant. Below are the weighted average fair value of awards granted in the periods presented and the weighted average of the applicable assumptions used to value stock options at grant date:

Key Assumptions	Nine Months Ended September 30, 2010	Year Ended December 31,	
		2009	2008
Weighted average fair value of grants	\$ 10.35	\$ 13.06	\$ 11.50
Weighted average assumptions:			
Expected stock price volatility	29.1%	63.5%	30.3%
Expected term of options (in years)	5.2	5.5	5.0
Risk-free interest rate	2.4%	2.7%	3.3%
Expected dividend yield	-	-	-

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The following table summarizes information about the Company's stock option transactions:

	September 30, 2010		December 31, 2009		December 31, 2008	
	Options	Weighted average exercise price	Options	Weighted average exercise price	Options	Weighted average exercise price
Stock Options (number of options in thousands)						
Outstanding at the beginning of the period	36,012.6	\$ 45.77	42,018.8	\$ 48.15	43,741.5	\$ 49.69
Granted	7,463.8	33.77	2,960.4	22.63	4,748.0	35.28
Exercised	(60.5)	26.65	(30.5)	22.70	(115.0)	23.83
Forfeited or expired	(5,275.3)	62.57	(8,936.1)	49.38	(6,355.7)	49.54
Outstanding at the end of the period	<u>38,140.6</u>	<u>\$ 41.13</u>	<u>36,012.6</u>	<u>\$ 45.77</u>	<u>42,018.8</u>	<u>\$ 48.15</u>
Exercisable at the end of the period	25,770.1	\$ 45.11	27,208.1	\$ 49.88	31,144.6	\$ 51.44

The weighted average remaining contractual life of stock options outstanding and exercisable, respectively, at September 30, 2010 is 4 years and 3 years. The aggregate intrinsic value of stock options outstanding and exercisable, respectively, at September 30, 2010 is \$64 million and \$16 million.

The following table summarizes information relating to stock option exercises during the periods presented:

Stock Option Exercises (in millions)	Nine Months Ended September 30,		Year Ended December 31,	
	2010		2009	2008
Proceeds from stock option exercises	\$	2	\$ 1	\$ 3
Intrinsic value	\$	-	\$ -	\$ 2
Tax benefit	\$	-	\$ -	\$ 1

Total unrecognized compensation cost related to unvested stock option awards at September 30, 2010 is approximately \$115 million and is expected to be recognized on a straight-line basis over a weighted-average period of 2 years.

Other Equity-Based Awards

The grant date fair value for RSUs and PRSUs is based on the Company's stock price on the date of the grant. The grant date fair value for the PSUs subject to the market and performance condition indicated earlier in this note is computed using a Monte Carlo model to estimate the total return ranking of Viacom among the S&P 500 Index companies on the date of grant over the measurement periods. Compensation cost assumes all performance goals will be met and is being recognized as the requisite service period is fulfilled.

The following table summarizes activity relating to the Company's RSUs, PSUs and PRSUs:

	September 30, 2010		December 31, 2009		December 31, 2008	
	Number of shares	Weighted average grant date fair value	Number of shares	Weighted average grant date fair value	Number of shares	Weighted average grant date fair value
RSUs, PSUs, and PRSUs (number of shares in thousands)						
Unvested at the beginning of the period	6,139.2	\$ 36.29	4,198.2	\$ 45.36	3,217.7	\$ 45.34
Granted*	3,872.5	35.80	3,460.3	25.94	2,115.3	42.81
Vested	(1,852.1)	38.58	(1,010.9)	38.94	(848.5)	40.75
Forfeited	(430.4)	44.54	(508.4)	34.49	(286.3)	39.88
Unvested at the end of the period	<u>7,729.2</u>	<u>\$ 35.03</u>	<u>6,139.2</u>	<u>\$ 36.29</u>	<u>4,198.2</u>	<u>\$ 45.36</u>

* Grant activity includes 2.0 million performance-based share units at target for the nine months ended September 30, 2010 and 0.8 million and 0.7 million for the years ended December 31, 2009 and 2008, respectively.

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The total weighted average remaining contractual life and aggregate intrinsic value of unvested RSUs, PSUs and PRSUs at September 30, 2010 is 2 years and \$280 million, respectively. At September 30, 2010, 30,950 RSUs were vested and deferred with a weighted average grant date fair value of \$28.46 and an aggregate intrinsic value of \$1 million.

The fair value of RSUs, PSUs and PRSUs vested was \$60 million during the nine months ended September 30, 2010 and \$23 million and \$29 million during the years ended December 31, 2009 and 2008, respectively. Total unrecognized compensation cost related to these awards at September 30, 2010 is approximately \$192 million and is expected to be recognized over a weighted-average period of 2 years.

NOTE 10. PENSION AND OTHER POSTRETIREMENT BENEFITS

The Company's defined benefit pension plans principally consist of both funded and unfunded noncontributory plans covering the majority of domestic employees and retirees. The funded plan provides a defined benefit based on a percentage of eligible compensation for periods of service. The unfunded pension plans are currently frozen to future benefit accruals. In addition, eligible employees participate in Viacom-sponsored health and welfare plans that provide certain postretirement health care and life insurance benefits to retired employees and their covered dependents. Most of the health and welfare plans are contributory and contain cost-sharing features such as deductibles and coinsurance which are adjusted annually. Claims are paid either through certain trusts funded by Viacom or by the Company's own funds.

A September 30, 2010 and December 31, 2009 measurement date was used for all pension and other postretirement benefit plans for the nine months ended September 30, 2010 and year ended December 31, 2009, respectively. The following tables summarize changes in the benefit obligation, the plan assets and the funded status of the Company's pension and postretirement benefit plans:

Change in Benefit Obligation (in millions)	Nine Months Ended September 30, 2010	Year Ended December 31, 2009	Nine Months Ended September 30, 2010	Year Ended December 31, 2009
	Pension Benefits		Postretirement Benefits	
Benefit obligation, beginning of period	\$ 659	\$ 648	\$ 12	\$ 12
Service cost	18	27	1	1
Interest cost	31	38	-	1
Amendments	-	1	-	-
Actuarial loss / (gain)	112	(25)	1	(1)
Curtailements	-	(12)	-	-
Benefits paid	(13)	(18)	(1)	(1)
Benefit obligation, end of period	<u>\$ 807</u>	<u>\$ 659</u>	<u>\$ 13</u>	<u>\$ 12</u>

Change in Plan Assets (in millions)	Nine Months Ended September 30, 2010	Year Ended December 31, 2009	Nine Months Ended September 30, 2010	Year Ended December 31, 2009
	Pension Benefits		Postretirement Benefits	
Fair value of plan assets, beginning of period	\$ 414	\$ 231	\$ -	\$ -
Actual return on plan assets	35	82	-	-
Employer contributions	28	119	1	1
Benefits paid	(13)	(18)	(1)	(1)
Fair value of plan assets, end of period	<u>\$ 464</u>	<u>\$ 414</u>	<u>\$ -</u>	<u>\$ -</u>

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Funded status (in millions)	September 30, 2010		December 31, 2009		September 30, 2010		December 31, 2009	
	Pension Benefits				Postretirement Benefits			
Funded status*	\$	(343)	\$	(245)	\$	(13)	\$	(12)

* These unfunded amounts are included in *Other liabilities – noncurrent* in the Consolidated Balance Sheets.

Accumulated Benefit Obligation

The accumulated benefit obligation differs from the projected benefit obligation in that it includes no assumption about future compensation levels. Since the Company's unfunded plans are frozen the projected benefit obligation equals the accumulated benefit obligation. Included in the change in benefit obligation table above are the following funded and unfunded plans with an accumulated benefit obligation equal to or in excess of plan assets at the end of the fiscal year.

Accumulated Benefit Obligation (in millions)	Funded Plans		Unfunded Plans		Total Plans	
	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009	September 30, 2010	December 31, 2009
Accumulated benefit obligation	\$ 556	\$ 443	\$ 209	\$ 166	\$ 765	\$ 609
Projected benefit obligation	\$ 598	\$ 493	\$ 209	\$ 166	\$ 807	\$ 659
Fair value of plan assets	\$ 464	\$ 414	\$ -	\$ -	\$ 464	\$ 414
Funded Status	\$ (134)	\$ (79)	\$ (209)	\$ (166)	\$ (343)	\$ (245)

Net Periodic Benefit Costs

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

Net Periodic Benefit Costs (in millions)	Nine Months Ended September 30, 2010		Year Ended December 31, 2009		Year Ended December 31, 2008	
	Pension Benefits				Postretirement Benefits	
Service cost	\$ 18	\$ 27	\$ 35	\$ 35	\$ 1	\$ 1
Interest cost	31	38	34	34	-	1
Expected return on plan assets	(25)	(23)	(27)	(27)	-	-
Amortization of unrecognized prior service cost	1	1	-	-	-	-
Recognized actuarial loss	6	9	3	3	-	-
Net actuarial gain due to curtailment/settlement	-	(10)	-	-	-	-
Net periodic benefit costs	\$ 31	\$ 42	\$ 45	\$ 45	\$ 1	\$ 2

In 2009, the Company amended certain defined benefit pension plans, including freezing future benefits under its unfunded excess pension plan, which resulted in a net curtailment gain.

The items reflected in *Accumulated other comprehensive income (loss)* in the Consolidated Balance Sheets and not yet recognized as a component of net periodic benefit cost are:

Unrecognized Benefit Cost (Income) (in millions)	Nine Months Ended September 30, 2010		Year Ended December 31, 2009		Nine Months Ended September 30, 2010		Year Ended December 31, 2009	
	Pension Benefits				Postretirement Benefits			
Unrecognized actuarial loss / (gain)	\$ 247	\$ 149	\$ 149	\$ 149	\$ 1	\$ 1	\$ (1)	\$ (1)
Unrecognized prior service cost	1	2	2	2	-	-	-	-
Total	\$ 248	\$ 151	\$ 151	\$ 151	\$ 1	\$ 1	\$ (1)	\$ (1)

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The amounts recognized in other comprehensive income during the year are:

Other Comprehensive Income (in millions)	Nine Months Ended September 30, 2010	
	Pension Benefits	Postretirement Benefits
Net actuarial loss	\$ 104	\$ 2
Recognized actuarial loss	(6)	-
Prior service cost	(1)	-
Total pretax loss	<u>\$ 97</u>	<u>\$ 2</u>

The amounts in *Accumulated other comprehensive income (loss)* in the Consolidated Balance Sheets that are expected to be recognized as components of net periodic benefit cost during the fiscal year ended September 30, 2011 are as follows:

Accumulated Other Comprehensive Income (in millions)	Pension	Postretirement	Total
Actuarial loss	\$ 14	\$ -	\$ 14
Prior service cost	\$ 1	\$ -	\$ 1

Key Assumptions	Nine Months Ended September 30, 2010	Year Ended December 31, 2009	Nine Months Ended September 30, 2010	Year Ended December 31, 2009
	Pension Benefits		Postretirement Benefits	
Weighted-average assumptions - benefit obligations				
Discount rate	5.60%	6.30%	5.50%	6.25%
Rate of compensation increase	4.00%	4.00%	N/A	N/A
Weighted-average assumptions - net periodic costs				
Discount rate	6.30%	7.00%	6.25%	6.00%
Expected long-term return on plan assets	8.00%	8.00%	N/A	N/A
Rate of compensation increase	4.00%	4.00%	N/A	N/A

Two key assumptions used in accounting for pension liabilities and expenses are the discount rate and expected rate of return on plan assets. The discount rate reflects the estimated rate at which the pension benefit obligations could effectively be settled. The Company used investment grade corporate bond yields to support its discount rate assumption. The expected long-term returns on plan assets were based upon the target asset allocation and return estimates for equity and debt securities. The expected rate of return for equities was based upon the risk-free rate plus a premium for equity securities. The expected return on debt securities was based upon an analysis of current and historical yields on portfolios of similar quality and duration. A decrease in the discount rate or a decrease in the expected rate of return on plan assets would increase pension expense. The estimated impact of a 25 basis point change in the discount rate would be a change of approximately \$2 million on pension expense for the nine months ended September 30, 2010 and would change the projected benefit obligation by approximately \$27 million. The estimated impact of a 25 basis point change in the expected rate of return on plan assets would be a change of approximately \$1 million on pension expense for the nine months ended September 30, 2010.

The following assumptions were also used in accounting for postretirement benefits:

Key Assumptions for Postretirement Benefits	2010	2009
Projected health care cost trend rate for participants age 65 and below	8.50%	8.50%
Projected health care cost trend rate for participants above age 65	8.50%	9.50%
Ultimate trend rate	5.00%	5.00%
Year ultimate trend rate is achieved for participants age 65 and below	2021	2019
Year ultimate trend rate is achieved for participants above age 65	2021	2019

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A one percentage point change in assumed health care cost trend rates would not have any significant impact on the Company's total service and interest cost and accumulated postretirement benefit obligation.

Investment Policies and Strategies

The Viacom Investments Committee is responsible for managing the investment of assets under the funded pension plan in a prudent manner with regard to preserving principal while providing reasonable returns. The Investments Committee has established investment policies through careful study of the returns and risks associated with alternative investment strategies in relation to the current and projected liabilities of the plan, after consulting with an outside investment manager as it deems appropriate. The investment manager's role is to provide guidance to the Investments Committee on matters pertaining to the investment of plan assets including investment policy, investment selection, monitoring the plan's performance and compliance with the plan's investment policies.

The investment policy establishes target asset allocations based upon an analysis of the timing and amount of projected benefit payments, the expected returns and risk of the asset classes and the correlation of those returns. The Company's practice is to review asset allocations regularly with its investment managers and rebalance as necessary. The range of target asset allocations under the Company's investment policy are 55-75% equity securities, 25-40% debt securities and 0-10% in cash and other instruments.

The investment manager implements the investment policy through investments in mutual funds and other pooled asset portfolios. Investments will be diversified within asset classes with the intent to minimize the risk of large losses to the plan. The portfolio includes mutual funds that are managed in accordance with the diversification and industry concentration restrictions set forth in the Investment Company Act of 1940.

The percentage of asset allocations of the Company's funded pension plan at September 30, 2010 and December 31, 2009, by asset category were as follows:

Asset Allocations of Funded Pension Plan	September 30, 2010	December 31, 2009
Equity securities	68%	69%
Debt securities	32	31
Total	<u>100%</u>	<u>100%</u>

Viacom Class B common stock represents approximately 2% of the plan assets fair values at September 30, 2010 and December 31, 2009.

Fair Value Measurement of Plan Assets

Corporate common stocks are reported at fair value based on quoted market prices on national securities exchanges. Investments in registered investment companies (mutual funds) are stated at the respective funds' net asset value, which is determined based on market values at the closing price on the last business day of the year.

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The following table sets forth the plan's assets at fair value as of September 30, 2010. The fair value of the plan's assets are measured using the quoted prices in the active markets for identical assets, which represents Level 1 within the hierarchy set forth in the accounting guidance for fair value measurements.

Fair Value of Plan Assets (in millions)	September 30, 2010	December 31, 2009
Cash and Cash Equivalents	\$ 1	\$ -
Equity Securities		
Viacom B common stock	10	8
U.S. large cap	147	135
U.S. small / mid cap	53	50
World ex-U.S.	106	93
Debt Securities		
Emerging markets	23	20
High yield	42	39
Long duration	82	69
Total	\$ 464	\$ 414

Future Benefit Payments and Contributions

The estimated future benefit payments for the next ten fiscal years are as follows:

Future Benefit Payments (in millions)	2011	2012	2013	2014	2015	2016-2020
Pension benefits	\$36	\$42	\$42	\$45	\$45	\$284
Postretirement benefits	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 6

The Company expects to contribute approximately \$50 million to the funded pension plan in fiscal year 2011.

401(k) Plans

Viacom has defined contribution (401(k)) plans for the benefit of substantially all the Company's employees meeting certain eligibility requirements. The Company's matching contributions to such plans were \$18 million for the nine months ended September 30, 2010 and \$17 million and \$18 million for the years ended December 31, 2009 and 2008, respectively.

Other Retirement Plans

Certain employees of the Company under collective bargaining agreements participate in union-sponsored multi-employer plans to which Viacom is obligated to contribute. These plans provide pension and health and welfare benefits. The contributions to these plans were \$4 million in the nine months ended September 30, 2010 and \$5 million and \$3 million in the years ended December 31, 2009 and 2008, respectively.

NOTE 11. RESTRUCTURING AND OTHER CHARGES

During the second quarter of 2009, the Company incurred \$33 million of severance charges, which are included within *Selling, general and administrative expenses* in the Consolidated Statement of Earnings. During the nine months ended September 30, 2010 and the year ended December 31, 2009, approximately \$13 million and \$12 million, respectively, related to these charges was paid out in cash, leaving a remaining liability of \$7 million as of September 30, 2010.

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In the fourth quarter of 2009, the Company recorded a \$60 million non-cash impairment charge in the *Media Networks* segment related to certain broadcast licenses held by a 32%-owned consolidated entity. This charge is included within *Depreciation and amortization* in the Consolidated Statement of Earnings. The impact to *Net earnings attributable to Viacom* was a reduction of \$19 million in 2009. The impairment results from a planned change in strategy of distribution in the affected markets as well as a sustained deterioration in the advertising markets that supported the broadcast licenses. The fair value of the broadcast licenses was determined under an income approach utilizing the projected net cash flows of the licenses, a Level 3 input within the hierarchy set forth in the accounting guidance for fair value measurements.

In the fourth quarter of 2008, to better align the Company's organization and cost structure with changing economic conditions, the Company undertook a strategic review of its businesses which resulted in an aggregate charge of \$454 million. In addition to broad adverse economic conditions, the strategic review considered the emergence of sustained softness in the advertising market and ratings issues at certain channels in the *Media Networks* segment, and the *Filmed Entertainment* segment's decision to reduce its future film slate. The restructuring plan included workforce reductions of 890 positions across the Company's domestic and international operations and resulted in an associated restructuring charge of \$103 million. The charge includes \$80 million for severance, principally consisting of one-time benefits for terminated employees and \$23 million related to lease termination costs. The plan was substantially completed in 2008. Payments of \$8 million were made in the nine months ended September 30, 2010, and payments of \$63 million and \$7 million were made in the years ended December 31, 2009 and 2008, respectively. There have been no significant changes to the restructuring plan. At September 30, 2010 the remaining liability is \$6 million.

In conjunction with the strategic review, the Company also assessed the effectiveness of its programming and motion pictures not yet released. As a result of the assessment, the *Media Networks* segment recorded a charge of \$286 million principally related to management's decision to cease use of certain acquired and original programming that was no longer achieving desired audience levels and/or branding objectives. The charge reflects the acceleration of amortization of such programming into the fourth quarter of 2008, consistent with the decision to discontinue airing of the respective programs subsequent to the fourth quarter of 2008. The *Filmed Entertainment* segment recorded a charge of \$19 million primarily related to pre-release write downs related to certain completed but not yet released films produced under the Paramount Vantage label. As a result of the restructuring, management changed its release strategy for these films, resulting in future revenue estimates falling below their cost.

In addition to the above, \$32 million of non-cash impairment charges were taken related primarily to broadcast licenses in the *Media Networks* segment. One of the licenses was abandoned due to a change in strategy of distribution in a foreign territory and others became impaired due to a sustained deterioration in the advertising markets that supported the broadcast licenses. The fair value of these licenses was determined utilizing a discounted cash flow income approach model. The *Filmed Entertainment* segment also incurred \$14 million of charges principally related to the abandonment of certain film development rights.

The components of the 2008 restructuring and other charges by segment are as follows:

2008 Restructuring and Other Charges (in millions)	Media Networks	Filmed Entertainment	Corporate	Total
Severance and lease termination costs	\$ 71	\$ 29	\$ 3	\$ 103
Programming and film inventory	286	19	-	305
Asset impairments and other	32	14	-	46
December 31, 2008	\$ 389	\$ 62	\$ 3	\$ 454

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The components of the 2008 restructuring and other charges are included in the Consolidated Statement of Earnings as follows:

2008 Restructuring and Other Charges (in millions)	Operating	Selling, General and Administrative	Depreciation and Amortization	Total
Severance and lease termination costs	\$ -	\$ 94	\$ 9	\$ 103
Programming and film inventory	305	-	-	305
Asset impairments and other	14	-	32	46
December 31, 2008	\$ 319	\$ 94	\$ 41	\$ 454

The restructuring charges gave rise to certain future liabilities, the components of which are detailed below for nine months ended September 30, 2010 and the years ended December 31, 2009 and 2008:

Restructuring Liability (in millions)	Media Networks	Filmed Entertainment	Corporate	Total
December 31, 2007	\$ 37	\$ -	\$ 24	\$ 61
Additions	65	27	-	92
Severance payments	(28)	(4)	(13)	(45)
Revisions to initial estimates	(3)	-	-	(3)
December 31, 2008	71	23	11	105
Additions	16	17	-	33
Severance payments	(52)	(18)	(8)	(78)
Lease payments	(12)	-	-	(12)
Revisions to initial estimates	(1)	(4)	-	(5)
December 31, 2009	22	18	3	43
Severance payments	(9)	(9)	(1)	(19)
Lease payments	(4)	-	-	(4)
Revisions to initial estimates	(5)	-	(2)	(7)
September 30, 2010	\$ 4	\$ 9	\$ -	\$ 13

NOTE 12. INCOME TAXES

Earnings from continuing operations before provision for income taxes consist of the following:

Pre-tax Earnings from Continuing Operations (in millions)	Nine Months Ended September 30, 2010	Year Ended December 31,	
		2009	2008
United States	\$ 1,579	\$ 1,982	\$ 1,490
International	233	435	404
Pre-tax earnings from continuing operations	\$ 1,812	\$ 2,417	\$ 1,894

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The provision for income taxes from continuing operations consists of the following:

Provision for Income Taxes from Continuing Operations (in millions)	Nine Months Ended September 30, 2010	Year Ended December 31,	
		2009	2008
Current provision for income taxes:			
Federal	\$ 553	\$ 427	\$ 328
State and local	67	38	96
International	126	179	167
Total current provision for income taxes	746	644	591
Deferred provision for income taxes	(119)	118	29
Provision for income taxes	\$ 627	\$ 762	\$ 620

A reconciliation of the effective income tax rate on continuing operations to the U.S. federal statutory income tax rate is as follows:

Effective Tax Rate	Nine Months Ended September 30, 2010	Year Ended December 31,	
		2009	2008
U.S. federal statutory income tax rate	35.0%	35.0%	35.0%
State and local taxes, net of federal benefit	3.2	3.2	3.4
Effect of international operations	1.2	(2.5)	(3.7)
Audit settlements	(1.6)	(4.3)	(2.4)
Qualified production activities deduction	(3.8)	(1.8)	(1.9)
Tax benefit on dispositions and capital losses	(2.9)	(1.1)	-
All other, net	3.5	3.0	2.3
Effective tax rate, continuing operations	34.6%	31.5%	32.7%

During the nine months ended September 30, 2010 and the years ended December 31, 2009 and 2008, the Company recognized net discrete tax benefits of \$27 million, \$124 million and \$55 million, respectively, which served to reduce the provision for income taxes for those periods. The benefit in 2010 principally reflects tax benefits from the disposition of certain assets. The 2009 and 2008 benefits relate principally to the release of tax reserves in respect of certain effectively settled tax positions. The 2009 net discrete tax benefit also reflects the recognition of certain previously unrecognized capital losses from international operations.

The tax effects of the items recorded as deferred tax assets and liabilities are:

Deferred Taxes (in millions)	September 30, 2010	December 31, 2009
Deferred Tax Assets:		
Provision for expense and losses	\$ 357	\$ 366
Postretirement and other employee benefits	237	240
Tax credit and loss carryforwards	120	148
All other	190	157
Total deferred tax assets	904	911
Valuation allowance	(144)	(144)
Total deferred tax assets, net	\$ 760	\$ 767
Deferred Tax Liabilities:		
Property, equipment and intangible assets	\$ (527)	\$ (661)
All other	-	(82)
Total deferred tax liabilities	(527)	(743)
Deferred taxes, net	\$ 233	\$ 24

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The Company has recorded valuation allowances for certain deferred tax assets, which are primarily related to net operating losses in foreign jurisdictions, as sufficient uncertainty exists regarding the future realization of these assets.

At September 30, 2010 and December 31, 2009, respectively, the *Deferred tax assets, net* and *Deferred tax liabilities, net* included as a component of the Company's Consolidated Balance Sheets were as follows:

Deferred Tax Assets (in millions)	September 30, 2010	December 31, 2009
Current deferred tax assets, net	\$ 77	\$ 108
Noncurrent deferred tax assets, net	156	-
Noncurrent deferred tax liabilities, net	-	(84)
Deferred tax assets, net	<u>\$ 233</u>	<u>\$ 24</u>

The Company has \$51 million of acquired tax loss carryforwards at September 30, 2010. The utilization of the U.S. federal carryforwards as an available offset to future taxable income is subject to limitations under U.S. federal income tax laws. These carryforwards begin to expire in 2019. In addition, the Company has approximately \$201 million of tax losses in various foreign jurisdictions that are primarily from countries with unlimited carry forward periods and \$122 million of tax losses that expire in the fiscal years 2011 through 2027.

As of September 30, 2010, the Company has not made any provision for income taxes on approximately \$1.18 billion of unremitted earnings of the Company's international subsidiaries. These earnings are intended to be permanently reinvested outside the U.S.

A reconciliation of the beginning and ending amounts of unrecognized tax benefits, excluding interest and penalties, is as follows:

Unrecognized Tax Benefits (in millions)	Nine Months Ended September 30,		Year Ended December 31,	
	2010		2009	2008
Balance at beginning of the period	\$	300	\$ 351	\$ 342
Gross additions based on tax positions related to the current year		25	21	57
Gross additions for tax positions of prior years		18	56	22
Gross reductions for tax positions of prior years		(37)	(77)	(70)
Expiration of the statute of limitation		(2)	(51)	-
Balance at end of the period	<u>\$</u>	<u>304</u>	<u>\$ 300</u>	<u>\$ 351</u>

As set forth in the table above, the Company had unrecognized tax benefits of \$304 million for the nine months ended September 30, 2010 and \$300 million and \$351 million for the years ended December 31, 2009 and 2008, respectively. At September 30, 2010, the total amount of unrecognized tax benefits that, if recognized, would favorably affect the effective tax rate was approximately \$291 million.

As discussed in Note 2, the Company recognizes interest and penalties accrued related to unrecognized tax benefits as a component of the *Provision for income taxes* in the Consolidated Statements of Earnings. The Company recognized interest and penalties of \$5 million for the nine months ended September 30, 2010 and \$33 million and \$17 million for the years ended December 31, 2009 and 2008, respectively. The Company had accruals of \$73 million and \$78 million related to interest and penalties recorded as a component of *Other liabilities-current* and *noncurrent* in the Consolidated Balance Sheets at September 30, 2010 and December 31, 2009, respectively.

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The Company and its subsidiaries file income tax returns with the Internal Revenue Service (“IRS”) and various state and international jurisdictions. For years ending on or prior to December 31, 2005, the Company filed consolidated and combined tax returns with CBS Corporation. In jurisdictions in which tax filings are prepared, with few exceptions, the Company is no longer subject to income tax examinations by the IRS, state, local or international tax authorities for years through 2005. The IRS, New York State and New York City concluded their examinations of the Viacom and CBS Corporation U.S. consolidated and state and city combined income tax returns through 2005 in 2009 and 2010. In connection with the separation and pursuant to the terms of the Tax Matters Agreement, Viacom and CBS Corporation agreed to each be financially responsible for 50% of any potential income tax liabilities that arose in 2005 or earlier, to the extent such potential income tax liabilities were not directly attributable to their respective business operations. Currently, there are no material potential income tax liabilities still in dispute. The IRS began its examination of the Company’s 2006 and 2007 U.S. consolidated federal income tax returns in the first quarter of 2009. Tax authorities are also conducting examinations of Viacom subsidiaries in various international jurisdictions, such as Canada and various states, including New York. Due to potential resolution of unrecognized tax positions involving multiple tax periods and jurisdictions, it is reasonably possible that a reduction of up to \$120 million of unrecognized income tax benefits may occur within 12 months, some of which, depending on the nature of the settlement may affect the Company’s income tax provision and therefore benefit the resulting effective tax rate. The majority of these uncertain tax positions, when recognized in the financial statements, would be recorded in the Consolidated Statements of Earnings as part of the *Provision for income taxes*. The actual amount could vary significantly depending on the ultimate timing and nature of any settlements.

NOTE 13. RELATED PARTY TRANSACTIONS

NAI, through a wholly-owned subsidiary, is the controlling stockholder of both Viacom and CBS Corporation. Sumner M. Redstone, the Chairman, Chief Executive Officer and controlling shareholder of NAI, is the Executive Chairman of the Board and Founder of both Viacom and CBS Corporation. In addition, Shari Redstone, who is Sumner Redstone’s daughter, is the President of NAI, and the Vice Chair of the Board of both Viacom and CBS Corporation. George Abrams, one of the Company’s directors, serves on the boards of both NAI and Viacom, and Frederic Salerno, another of the Company’s directors, serves on the boards of both Viacom and CBS Corporation. Philippe Dauman, the Company’s President and Chief Executive Officer, also serves on the boards of both NAI and Viacom. Transactions between Viacom and related parties are typically overseen by the Company’s Governance and Nominating Committee.

Viacom and NAI Related Party Transactions

NAI licenses films in the ordinary course of business for its motion picture theaters from all major studios, including Paramount. Paramount earned revenues from NAI in connection with these licenses in the aggregate amounts of approximately \$21 million during the nine months ended September 30, 2010 and \$34 million and \$36 million during the years ended December 31, 2009 and 2008, respectively.

In connection with the Company’s stock repurchase programs, the Company entered into an agreement with NAIRI Inc. (“NAIRI”), a wholly-owned subsidiary of NAI, and NAI under which the Company agreed to buy from them, and they agreed to sell to the Company, a number of shares of Viacom Class B common stock each month such that their ownership percentage of Viacom Class A common stock and Class B common stock (considered as a single class) would not increase as a result of the Company’s repurchase of shares under its stock repurchase program. In 2008, the Company repurchased 3.6 million shares of Class B common stock from NAIRI for an aggregate purchase price of \$124 million. The agreement was terminated in October 2008.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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Viacom and CBS Corporation Related Party Transactions

In the ordinary course of business, the Company is involved in transactions with CBS and its various businesses that result in the recognition of revenues and expenses by Viacom. Transactions with CBS are settled in cash.

Paramount earns revenues and recognizes expenses associated with the distribution of certain television products into the home entertainment market on behalf of CBS. Under the terms of the agreement, Paramount is entitled to retain a fee based on a percentage of gross receipts and is generally responsible for all out-of-pocket costs which are recoupable, together with the annual advance due to CBS, prior to any participation payments to CBS. In connection with this agreement, Paramount made payments of \$100 million to CBS during each of the quarters ended March 31, 2010, 2009 and 2008. Paramount also earns revenues from CBS through leasing of studio space and licensing of certain film products. Additionally, the *Media Networks* segment recognizes advertising revenues from CBS.

The *Media Networks* segment purchases television programming from CBS. The cost of such purchases is initially recorded as acquired program rights inventory and amortized over the estimated period that revenues will be generated. Both of the Company's segments recognize advertising expenses related to the placement of advertisements with CBS.

The following table summarizes the transactions with CBS as included in the Company's Consolidated Financial Statements:

CBS Related Party Transactions (in millions)	Nine Months Ended September 30, 2010	Year Ended December 31,	
		2009	2008
Consolidated Statements of Earnings			
Revenues	\$ 244	\$ 406	\$ 506
Operating expenses	\$ 318	\$ 504	\$ 561
	September 30, 2010	December 31, 2009	
Consolidated Balance Sheets			
Accounts receivable	\$ 9	\$ 25	
Other assets	1	1	
Total due from CBS	<u>\$ 10</u>	<u>\$ 26</u>	
Accounts payable	\$ 4	\$ 3	
Participants' share and residuals, current	227	178	
Programming rights, current	100	132	
Programming rights, noncurrent	263	185	
Other liabilities	39	13	
Total due to CBS	<u>\$ 633</u>	<u>\$ 511</u>	

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Other Related Party Transactions

In the ordinary course of business, the Company is involved in related party transactions with equity investees, principally related to investments in unconsolidated VIEs as more fully described in Note 3. These related party transactions primarily relate to the provision of advertising services, licensing of film and programming content, distribution of films and provision of certain administrative support services, for which the impact on the Company's Consolidated Financial Statements is as follows:

Other Related Party Transactions (in millions)	Nine Months Ended September 30, 2010	Year Ended December 31,	
		2009	2008
Consolidated Statements of Earnings			
Revenues	\$ 168	\$ 375	\$ 408
Operating expenses	\$ 53	\$ 207	\$ 249
Selling, general, and administrative	\$ (24)	\$ -	\$ -
	September 30, 2010	December 31, 2009	
Consolidated Balance Sheets			
Accounts receivable	\$ 88	\$ 102	
Other assets	9	10	
Total due from other related parties	<u>\$ 97</u>	<u>\$ 112</u>	
Accounts payable	\$ 26	\$ 39	
Participants' share and residuals, current	-	47	
Other liabilities	29	55	
Debt, current	-	65	
Debt, noncurrent	-	33	
Total due to other related parties	<u>\$ 55</u>	<u>\$ 239</u>	

All other related party transactions are not material in the periods presented.

NOTE 14. COMMITMENTS AND CONTINGENCIES

Commitments

The Company's commitments primarily consist of programming and talent commitments, operating lease arrangements, purchase obligations for goods and services and future funding commitments related to equity investees. See Note 3 to the Company's Consolidated Financial Statements for additional information relating to the Company's future funding commitments to equity investees. These arrangements result from the Company's normal course of business and represent obligations that may be payable over several years. Additionally, the Company is subject to a redeemable put option, payable in a foreign currency, with respect to an international subsidiary, which expires in 2011. See Note 15 to the Company's Consolidated Financial Statements for additional information related to the redeemable noncontrolling interest.

Programming and talent commitments of the Company not recorded on the balance sheet, which aggregate approximately \$1.377 billion as of September 30, 2010, included \$1.076 billion relating to media networks programming and \$301 million for talent contracts. At September 30, 2010, the Company had recorded, on the balance sheet, programming commitments of \$1.081 billion. Amounts expected to be paid over the next five fiscal years are as follows: \$390 million, \$273 million, \$219 million, \$143 million and \$43 million.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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The Company has long-term noncancelable operating and capital lease commitments for office space, equipment, transponders, studio facilities and vehicles. At September 30, 2010, minimum rental payments under noncancelable leases by fiscal year are as follows:

Noncancelable Lease Commitments (in millions)	Capital	Operating
2011	\$ 41	\$ 187
2012	33	180
2013	27	167
2014	25	152
2015	25	117
2016 and thereafter	107	306
Total minimum payments	\$ 258	\$ 1,109
Amounts representing interest	(51)	
Total	\$ 207	

Future minimum operating lease payments have been reduced by future minimum sublease income of \$9 million. Rent expense amounted to \$122 million for the nine months ended September 30, 2010 and \$158 million and \$151 million for the years ended December 31, 2009 and 2008, respectively.

The Company also has purchase obligations which include agreements to purchase goods or services in the future that totaled \$546 million as of September 30, 2010.

The Harmonix acquisition agreement provided that to the extent financial results exceeded specific contractual targets against a defined gross profit metric for the calendar years 2007 and 2008, former Harmonix shareholders are eligible for incremental earn-out payments. In 2008, the Company paid \$150 million, subject to adjustment, under this earn-out agreement related to 2007 performance. At September 30, 2010, the Company believes that it is entitled to a refund of a substantial portion of amounts previously paid, but the final amount of the earn-out has not yet been determined.

Contingencies

Guarantees

In the course of its business, the Company both provides and receives the benefit of indemnities that are intended to allocate certain risks associated with business transactions.

Leases

Under the terms of the Company's separation from Former Viacom, which is now known as CBS Corporation, the Company and Blockbuster have agreed to indemnify Former Viacom with respect to any amount paid under certain guarantees related to lease commitments of Blockbuster. Additionally, in connection with the separation, the Company agreed to indemnify Former Viacom with respect to certain theater lease obligations associated with Famous Players, which Former Viacom sold in 2005. In addition, the Company benefits from certain indemnities provided by the acquirer of Famous Players and by Blockbuster.

At September 30, 2010, these lease commitments, primarily related to Famous Players, amounted to \$644 million. The amount of lease commitments varies over time depending on expiration or termination of individual underlying leases, or of the related indemnification obligation, and foreign exchange rates, among other things. The Company may also have exposure for certain other expenses related to the leases, such as property taxes and common area maintenance. The Company has recorded a liability of \$209 million with respect to such obligations. Based on the Company's consideration of financial information available to it, the lessees' historical

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performance in meeting their lease obligations and the underlying economic factors impacting the lessees' business models, the Company believes its accrual is sufficient to meet any future obligations.

Other

The Company has indemnification obligations with respect to letters of credit and surety bonds primarily used as security against non-performance in the normal course of business. The outstanding letters of credit and surety bonds at September 30, 2010 were \$67 million and are not recorded on the balance sheet.

In July 2010, the Company entered into a supplemental agreement with Network 18 Fincap Limited, its partner in Viacom 18, a joint venture in India. Among other things, the partners each agreed to guarantee bank debt of Viacom 18 on a pro rata basis, up to \$100 million each to the extent needed and subject to prior approval by both partners. The partners have not yet approved any borrowings subject to this guarantee.

Legal Matters

Litigation is inherently uncertain and always difficult to predict. However, based on the Company's understanding and evaluation of the relevant facts and circumstances, the Company believes that the legal matters described below and other litigation to which the Company is a party are not likely, in the aggregate, to have a material adverse effect on its results of operations, financial position or cash flows.

In March 2007, the Company filed a complaint in the United States District Court for the Southern District of New York against Google Inc. ("Google") and its wholly-owned subsidiary YouTube, alleging that Google and YouTube violated and continue to violate the Company's copyrights. The Company is seeking both damages and injunctive relief. In March 2010, the Company and Google filed motions for summary judgment, and in June 2010, Google's motion was granted. On August 11, 2010, we filed a notice of appeal to the U.S. Court of Appeals for the Second Circuit. The Company believes it has substantial grounds on which to appeal.

In September 2007, Brantley, et al. v. NBC Universal, Inc., et al., was filed in the United States District Court for the Central District of California against the Company and several other program content providers on behalf of a purported nationwide class of cable and satellite subscribers. The plaintiffs also sued several major cable and satellite program distributors. Plaintiffs allege that separate contracts between the program providers and the cable and satellite operator defendants providing for the sale of programming in specific tiers each unreasonably restrain trade in a variety of markets in violation of the Sherman Act. In October 2009, the court dismissed, with prejudice, the plaintiff's third amended complaint. The plaintiffs appealed the dismissal. The Company believes the plaintiffs' position in this litigation is without merit and intends to continue to vigorously defend this lawsuit.

NOTE 15. SUPPLEMENTAL CASH FLOW AND OTHER INFORMATION

Supplemental Cash Flow Information (in millions)	Nine Months Ended September 30, 2010	Year Ended December 31,	
		2009	2008
Cash paid for interest	\$ 270	\$ 425	\$ 495
Cash paid for income taxes	\$ 806	\$ 603	\$ 741
Non-cash Investing and Financing Activities:			
Equipment acquired under capitalized leases	\$ -	\$ 134	\$ 10
Investments with joint ventures	\$ -	\$ -	\$ 4
Acquisitions:			
Fair value of assets	\$ -	\$ 66	\$ 176
Fair value of liabilities	-	(2)	(90)
Noncontrolling interest	-	-	(11)
Cash paid, net of cash acquired*	\$ -	\$ 64	\$ 75

*Excludes a \$150 million earn-out payment in 2008. See Note 14 for additional information.

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Interest Expense, net (in millions)	Nine Months Ended September 30, 2010	Year Ended December 31,	
		2009	2008
Interest expense	\$ (326)	\$ (440)	\$ (514)
Interest income	6	10	32
Interest expense, net	<u>\$ (320)</u>	<u>\$ (430)</u>	<u>\$ (482)</u>

Other Items, net (in millions)	Nine Months Ended September 30, 2010	Year Ended December 31,	
		2009	2008
Loss on securitization programs	\$ -	\$ (14)	\$ (34)
Foreign exchange loss	(9)	(27)	(50)
Impairment of minority investment	-	-	(27)
Other gains/(losses)	1	4	(1)
Other items, net	<u>\$ (8)</u>	<u>\$ (37)</u>	<u>\$ (112)</u>

Redeemable Noncontrolling Interest (in millions)	Nine Months Ended September 30, 2010	Year Ended December 31,	
		2009	2008
Beginning balance	\$ 168	\$ 148	\$ 229
Net earnings	4	11	13
Distributions	(8)	(8)	(8)
Translation adjustment	(5)	16	(60)
Redemption value adjustment	(28)	1	(26)
Ending balance	<u>\$ 131</u>	<u>\$ 168</u>	<u>\$ 148</u>

Receivable Securitization Arrangements

During the year ended December 31, 2009 activity under the accounts receivable securitization programs consisted of \$3.315 billion of proceeds from the sale of receivables, \$4.287 billion of cash remitted to the facility, including \$175 million related to a scheduled reduction in participation by a sponsor, and \$22 million of cash paid for interest. During the year ended December 31, 2008 activity consisted of \$3.946 billion of proceeds, \$3.982 billion of cash remitted and \$36 million of cash paid for interest. There were no amounts outstanding under the programs at December 31, 2009 and no activity during the period from January 1, 2010 through the termination of the programs by the Company in April 2010.

NOTE 16. REPORTING SEGMENTS

The following tables set forth the Company's financial performance by reporting segment. The Company's reporting segments have been determined in accordance with the Company's internal management structure. The Company manages its operations through two reporting segments: (i) *Media Networks* and (ii) *Filmed Entertainment*. Typical intersegment transactions include the purchase of advertising by the *Filmed Entertainment* segment on *Media Networks*' properties and the purchase of *Filmed Entertainment*'s feature films exhibition rights by *Media Networks*. The elimination of such intercompany transactions in the Consolidated Financial Statements is included within eliminations in the table below.

During 2010, the Company changed its measure of segment performance from operating income (loss) to adjusted operating income (loss) to more closely align with the way management reviews the results and assesses the performance of the Company's segments. The Company defines adjusted operating income (loss) for its segments as operating income (loss), less equity-based compensation and certain other items identified as

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affecting comparability, including restructuring and other charges, when applicable. Equity-based compensation is excluded from the segment measure of performance since it is set and approved by the Compensation Committee of Viacom's Board of Directors in consultation with corporate executive management. Segment information for the prior periods has been revised to reflect the Company's new measure of segment performance.

Revenues by Segment (in millions)	Nine Months Ended	Year Ended December 31,	
	September 30, 2010	2009	2008
Media Networks	\$ 6,077	\$ 7,926	\$ 8,078
Filmed Entertainment	3,362	5,482	6,033
Eliminations	(102)	(151)	(164)
Total revenues	<u>\$ 9,337</u>	<u>\$13,257</u>	<u>\$13,947</u>

Adjusted Operating Income (Loss) (in millions)	Nine Months Ended	Year Ended December 31,	
	September 30, 2010	2009	2008
Media Networks	\$ 2,399	\$3,189	\$3,197
Filmed Entertainment	38	246	102
Corporate expenses	(150)	(194)	(186)
Equity-based compensation	(80)	(102)	(99)
Eliminations	-	(1)	2
Restructuring and other charges	-	(93)	(454)
Operating income	<u>2,207</u>	<u>3,045</u>	<u>2,562</u>
Interest expense, net	(320)	(430)	(482)
Equity in net losses of investee companies	(67)	(77)	(74)
Loss on extinguishment of debt	-	(84)	-
Other items, net	(8)	(37)	(112)
Earnings from continuing operations before provision for income taxes	<u>\$ 1,812</u>	<u>\$2,417</u>	<u>\$1,894</u>

Depreciation and Amortization and Total Assets (in millions)	Depreciation and Amortization			Total Assets	
	Nine Months Ended	Year Ended		September 30, 2010	December 31, 2009
	September 30, 2010	2009	2008		
Media Networks	\$ 148	\$ 264	\$ 263	\$ 15,911	\$ 16,189
Filmed Entertainment	69	105	108	5,343	5,549
Corporate/Eliminations	5	10	23	842	162
Total	<u>\$ 222</u>	<u>\$ 379</u>	<u>\$ 394</u>	<u>\$ 22,096</u>	<u>\$ 21,900</u>

Capital Expenditures (in millions)	Nine Months Ended	Year Ended December 31,	
	September 30, 2010	2009	2008
Media Networks	\$ 60	\$ 71	\$ 203
Filmed Entertainment	43	66	78
Corporate	2	2	2
Total capital expenditures	<u>\$ 105</u>	<u>\$ 139</u>	<u>\$ 283</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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Revenues by Component (in millions)	Nine Months Ended September 30,		Year Ended December 31,			
	2010		2009	2008		
Advertising	\$	3,251	\$	4,405	\$	4,722
Feature film		3,172		5,205		5,771
Affiliate fees		2,372		2,901		2,620
Ancillary		644		897		998
Eliminations		(102)		(151)		(164)
Total revenues	\$	<u>9,337</u>	\$	<u>13,257</u>	\$	<u>13,947</u>

Revenues generated from international markets were 28% of total consolidated revenues in the nine months ended September 30, 2010 and 28% and 30% of total consolidated revenues in the years ended December 31, 2009 and 2008, respectively. The Company's principal international businesses are in Europe, of which the United Kingdom and Germany together accounted for approximately 42% of total European revenues for the nine months ended September 30, 2010 and 48% of total European revenues for each of the years ended December 31, 2009 and 2008.

Geographic Information (in millions)	Revenues*			Long-lived Assets**						
	Nine Months Ended September 30, 2010	Year Ended December 31,		September 30, 2010	December 31, 2009					
		2009	2008							
United States	\$	6,697	\$	9,496	\$	9,797	\$	5,132	\$	4,754
Europe		1,643		2,413		2,728		321		322
All other		997		1,348		1,422		179		204
Total	\$	<u>9,337</u>	\$	<u>13,257</u>	\$	<u>13,947</u>	\$	<u>5,632</u>	\$	<u>5,280</u>

* Revenue classifications are based on customers' locations. Transactions within the Company between geographic areas are not significant.

** Reflects total assets less current assets, deferred tax assets, goodwill, intangibles, investments and assets held for sale.

NOTE 17. PROPERTY AND EQUIPMENT

Property and Equipment, Net (in millions)	September 30, 2010	December 31, 2009	Estimated Life (in years)		
Land	\$	247	\$	246	-
Buildings		347		328	20 to 40
Capital leases		364		394	3 to 15
Equipment and other		1,603		1,655	3 to 15
Property and equipment		2,561		2,623	
Less: Accumulated depreciation		(1,459)		(1,448)	
Property and equipment, net	\$	<u>1,102</u>	\$	<u>1,175</u>	

Depreciation expense, including capitalized lease amortization, was \$161 million for the nine months ended September 30, 2010 and \$224 million and \$263 million for the years ended December 31, 2009 and 2008, respectively. Amortization expense related to capital leases was \$28 million for the nine months ended September 30, 2010 and \$35 million and \$48 million for the years ended December 31, 2009 and 2008, respectively. Accumulated amortization of capital leases was \$173 million and \$162 million at September 30, 2010 and December 31, 2009, respectively.

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NOTE 18. TRANSITION PERIOD COMPARATIVE DATA

Statements of Earnings Data (in millions, except per share amounts)	Nine Months Ended September 30,	
	2010	2009 (unaudited)
Revenues	\$9,337	\$ 9,238
Operating income	2,207	1,904
Earnings from continuing operations before provision for income taxes	1,812	1,391
Provision for income taxes	(627)	(427)
Net earnings from continuing operations	1,185	964
Discontinued operations, net of tax	(321)	(37)
Net earnings (Viacom and noncontrolling interests)	864	927
Net earnings attributable to noncontrolling interests	(10)	(10)
Net earnings attributable to Viacom	<u>\$ 854</u>	<u>\$ 917</u>
Amounts attributable to Viacom:		
Net earnings from continuing operations	\$1,175	\$ 954
Discontinued operations, net of tax	(321)	(37)
Net earnings attributable to Viacom	<u>\$ 854</u>	<u>\$ 917</u>
Basic earnings per share attributable to Viacom:		
Continuing operations	\$ 1.93	\$ 1.57
Discontinued operations	\$ (0.53)	\$ (0.06)
Net earnings	\$ 1.40	\$ 1.51
Diluted earnings per share attributable to Viacom:		
Continuing operations	\$ 1.92	\$ 1.57
Discontinued operations	\$ (0.52)	\$ (0.06)
Net earnings	\$ 1.40	\$ 1.51
Weighted average number of common shares outstanding:		
Basic	608.0	607.0
Diluted	610.7	607.9
Statements of Cash Flows Data:		
Cash provided by operations	\$1,147	\$ 732
Net cash flow used in investing activities	(168)	(117)
Net cash flow used in financing activities	(436)	(1,169)
Effect of exchange rates on cash and cash equivalents	(4)	11
Increase (decrease) in cash and cash equivalents	<u>\$ 539</u>	<u>\$ (543)</u>

NOTE 19. DISCONTINUED OPERATIONS

In September 2010, the Company's Board of Directors authorized management to proceed with a sale of Harmonix. Management is actively marketing Harmonix for sale and is committed to a plan that management believes will result in the sale of the business within twelve months. Accordingly, the results of operations of Harmonix, which were previously included in the *Media Networks* segment, are presented as discontinued operations in all periods presented.

In connection with its annual goodwill impairment test, the Company recorded an impairment charge on Harmonix goodwill of \$230 million. The impairment resulted from continued softness in the disc-based video game industry, specifically the music genre, which has impacted sales of recent video game releases. The cash flow projections used in the goodwill impairment analysis reflect these conditions. The Company recorded additional charges of approximately \$30 million, principally related to unamortized development costs and other assets associated with legacy versions of the *Rock Band* game. These charges are included as a component of *Discontinued operations, net of tax* in the Consolidated Statement of Earnings.

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The following table sets forth the results of operations of Harmonix, which is presented as discontinued operations in the consolidated financial statements for all periods presented. Other discontinued operations activity in all years reflects adjustments related to businesses previously sold.

Discontinued Operations (in millions)	Harmonix	All Other	Total
Nine months ended September 30, 2010			
Revenues from discontinued operations	\$ 62	\$ -	\$ 62
Pre-tax losses from discontinued operations	\$ (369)	\$ 7	\$(362)
Income tax provision	53	(12)	41
Net losses from discontinued operations	<u>\$ (316)</u>	<u>\$ (5)</u>	<u>\$ (321)</u>
Year ended December 31, 2009			
Revenues from discontinued operations	\$ 362	\$ -	\$ 362
Pre-tax earnings (losses) from discontinued operations	\$ (141)	\$ 32	\$(109)
Income tax provision	54	(12)	42
Net earnings (losses) from discontinued operations	<u>\$ (87)</u>	<u>\$ 20</u>	<u>\$ (67)</u>
Year ended December 31, 2008			
Revenues from discontinued operations	\$ 678	\$ -	\$ 678
Pre-tax earnings (losses) from discontinued operations	\$ (39)	\$ 23	\$ (16)
Income tax provision	15	(5)	10
Net earnings (losses) from discontinued operations	<u>\$ (24)</u>	<u>\$ 18</u>	<u>\$ (6)</u>

For the nine months ended September 30, 2010, the difference between the effective tax rate for Harmonix and the federal statutory rate of 35% principally reflects the goodwill impairment charge for which no tax benefit was recognized, while the difference between the rates for the years ended December 31, 2009 and 2008 principally reflects the state and local taxes.

Assets and liabilities classified as held for sale as of September 30, 2010 and December 31, 2009 are related to Harmonix and are as follows:

Harmonix Net Assets (in millions)	September 30, 2010	December 31, 2009
Assets/(Liabilities):		
Current assets	\$ 76	\$ 137
Goodwill	64	294
Other assets	10	20
Accounts payable and other liabilities	(103)	(54)
Deferred revenue	(14)	(37)
Net assets	<u>\$ 33</u>	<u>\$ 360</u>

NOTE 20. QUARTERLY FINANCIAL DATA (unaudited):

2010 (in millions, except per share information)	First	Second	Third	Nine Months Ended September 30, 2010
Revenues	\$2,732	\$ 3,275	\$3,330	\$ 9,337
Operating income	\$ 554	\$ 816	\$ 837	\$ 2,207
Net earnings from continuing operations (Viacom and noncontrolling interests)	\$ 257	\$ 438	\$ 490	\$ 1,185
Net earnings (Viacom and noncontrolling interests)	\$ 247	\$ 426	\$ 191	\$ 864
Net earnings from continuing operations attributable to Viacom	\$ 255	\$ 432	\$ 488	\$ 1,175
Net earnings attributable to Viacom	\$ 245	\$ 420	\$ 189	\$ 854
Basic net earnings per share, continuing operations attributable to Viacom	\$ 0.42	\$ 0.71	\$ 0.80	\$ 1.93
Basic net earnings per share attributable to Viacom	\$ 0.40	\$ 0.69	\$ 0.31	\$ 1.40
Diluted net earnings per share, continuing operations attributable to Viacom	\$ 0.42	\$ 0.71	\$ 0.80	\$ 1.92
Diluted net earnings per share attributable to Viacom	\$ 0.40	\$ 0.69	\$ 0.31	\$ 1.40

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2009 (in millions, except per share information)	First	Second	Third	Fourth	Year Ended December 31, 2009
Revenues	\$2,828	\$ 3,238	\$3,172	\$ 4,019	\$ 13,257
Operating income	\$ 464	\$ 639	\$ 801	\$ 1,141	\$ 3,045
Net earnings from continuing operations (Viacom and noncontrolling interests)	\$ 194	\$ 313	\$ 457	\$ 691	\$ 1,655
Net earnings (Viacom and noncontrolling interests)	\$ 180	\$ 281	\$ 466	\$ 661	\$ 1,588
Net earnings from continuing operations attributable to Viacom	\$ 191	\$ 309	\$ 454	\$ 724	\$ 1,678
Net earnings attributable to Viacom	\$ 177	\$ 277	\$ 463	\$ 694	\$ 1,611
Basic net earnings per share, continuing operations attributable to Viacom	\$ 0.31	\$ 0.51	\$ 0.75	\$ 1.19	\$ 2.76
Basic net earnings per share attributable to Viacom	\$ 0.29	\$ 0.46	\$ 0.76	\$ 1.14	\$ 2.65
Diluted net earnings per share, continuing operations attributable to Viacom	\$ 0.31	\$ 0.51	\$ 0.75	\$ 1.19	\$ 2.76
Diluted net earnings per share attributable to Viacom	\$ 0.29	\$ 0.46	\$ 0.76	\$ 1.14	\$ 2.65

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain “disclosure controls and procedures,” as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”), that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, management recognized that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Additionally, in designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of September 30, 2010. Based on that evaluation, management has concluded that, as of such date, our disclosure controls and procedures were effective.

Management’s Report on Internal Control over Financial Reporting

Management’s Report on Internal Control over Financial Reporting is set forth on page 66.

The effectiveness of the Company’s internal control over financial reporting has been audited by PricewaterhouseCoopers, LLP an independent registered public accounting firm, as stated in their report, which is included herein on page 67.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the fiscal quarter ended September 30, 2010 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

None.

PART III

Item 10. *Directors, Executive Officers and Corporate Governance.*

The information required by this item with respect to our directors and certain corporate governance practices will be contained in our Proxy Statement for our 2011 Annual Meeting of Stockholders (the “Proxy Statement”) under the headings “Corporate Governance,” “Our Board of Directors,” “Item 1—Election of Directors” and “Section 16(a) Beneficial Ownership Reporting Compliance,” which information is incorporated herein by reference. The information required by this item with respect to our executive officers (i) will be contained in the Proxy Statement under the headings “Corporate Governance” and “Section 16(a) Beneficial Ownership Reporting Compliance” and (ii) is included in Part I of this Form 10-K under the caption “Our Executive Officers,” which information is incorporated herein by reference.

Item 11. *Executive Compensation.*

The information required by this item will be contained in the Proxy Statement under the headings “Executive Compensation,” “Compensation Committee Interlocks and Insider Participation” and “Compensation Committee Report,” which information is incorporated herein by reference.

Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.*

The information required by this item will be contained in the Proxy Statement under the headings “Equity Compensation Plan Information” and “Security Ownership of Certain Beneficial Owners and Management,” which information is incorporated herein by reference.

Item 13. *Certain Relationships and Related Transactions, and Director Independence.*

The information required by this item will be contained in the Proxy Statement under the headings “Related Person Transactions” and “Our Board of Directors,” which information is incorporated herein by reference.

Item 14. *Principal Accounting Fees and Services.*

The information required by this item will be contained in the Proxy Statement under the heading “Services Provided by the Independent Auditor and Fees Paid,” which information is incorporated herein by reference.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(a) 1. *Financial Statements.*

Management's Report on Internal Control over Financial Reporting

Report of Independent Registered Public Accounting Firm

Consolidated Statements of Earnings for the nine months ended September 30, 2010 and the years ended December 31, 2009 and 2008

Consolidated Balance Sheets as of September 30, 2010 and December 31, 2009

Consolidated Statements of Cash Flows for the nine months ended September 30, 2010 and the years ended December 31, 2009 and 2008

Consolidated Statements of Stockholders' Equity and Comprehensive Income for the years ended December 31, 2009, 2008 and 2007

Notes to Consolidated Financial Statements

2. *Financial Statement Schedules.*

Schedule II. Valuation and Qualifying Accounts

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.

3. *Exhibits.*

The exhibits listed in Item 15(b) of this Part IV are filed or incorporated by reference as part of this Form 10-K. The Index to Exhibits is on page 116.

(b) *Exhibits.*

The exhibits listed in Item 15(b) of this Part IV are filed or incorporated by reference as part of this Form 10-K. The Index to Exhibits is on page 116.

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<u>Signature</u>	<u>Title</u>	<u>Date</u>
* Frederic V. Salerno	Director	November 11, 2010
* William Schwartz	Director	November 11, 2010
*By: <u>/s/ Michael D. Fricklas</u> Michael D. Fricklas <i>Attorney-in-Fact for the Directors</i>		November 11, 2010

Item 15(a).

VIACOM INC.
SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS

(in millions)	Beginning of period	Acquired	Additions - expense and other	Deductions	End of period
Nine Months ended September 30, 2010:					
Allowance for doubtful accounts	\$ 94	\$ -	\$ 10	\$ (28)	\$ 76
Sales returns and allowances	\$ 416	\$ -	\$ 283	\$ (445)	\$ 254
Inventory obsolescence reserves	\$ 80	\$ -	\$ 10	\$ (17)	\$ 73
Deferred tax valuation allowance	\$ 144	\$ -	\$ 23	\$ (23)	\$ 144
Year ended December 31, 2009:					
Allowance for doubtful accounts	\$ 99	\$ -	\$ 31	\$ (36)	\$ 94
Sales returns and allowances	\$ 786	\$ -	\$ 538	\$ (908)	\$ 416
Inventory obsolescence reserves	\$ 105	\$ -	\$ 8	\$ (33)	\$ 80
Deferred tax valuation allowance	\$ 108	\$ -	\$ 43	\$ (7)	\$ 144
Year ended December 31, 2008:					
Allowance for doubtful accounts	\$ 102	\$ -	\$ 33	\$ (36)	\$ 99
Sales returns and allowances	\$ 696	\$ -	\$ 1,408	\$ (1,318)	\$ 786
Inventory obsolescence reserves	\$ 107	\$ -	\$ 26	\$ (28)	\$ 105
Deferred tax valuation allowance	\$ 126	\$ -	\$ 29	\$ (47)	\$ 108

Item 15(b).

INDEX TO EXHIBITS

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
3.1	Amended and Restated Certificate of Incorporation of Viacom Inc. effective December 31, 2005 (incorporated by reference to Exhibit 3.1 to the Annual Report on Form 10-K of Viacom Inc. filed March 16, 2006) (File No. 001-32686).
3.2	Amended and Restated Bylaws of Viacom Inc. effective December 8, 2009 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K of Viacom Inc. filed December 14, 2009) (File No. 001-32686).
4.1	Indenture, dated as of April 12, 2006, between Viacom Inc. and The Bank of New York (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of Viacom Inc. filed April 17, 2006) (File No. 001-32686).
4.2	First Supplemental Indenture, dated as of April 12, 2006, between Viacom Inc. and The Bank of New York, including Form of 5.75% Senior Note due 2011, Form of 6.25% Senior Note due 2016 and Form of 6.875% Senior Debenture due 2036 (incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K of Viacom Inc. filed April 17, 2006) (File No. 001-32686).
4.3	Second Supplemental Indenture, dated as of June 16, 2006, between Viacom Inc. and The Bank of New York, including Form of Floating Rate Senior Note due 2009 (incorporated by reference to Exhibit 4.4 to the Registration Statement on Form S-4 of Viacom Inc. filed August 21, 2006) (File No. 333-136756).
4.4	Third Supplemental Indenture, dated as of December 13, 2006, between Viacom Inc. and The Bank of New York, as trustee (including forms of Senior Notes) (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of Viacom Inc. filed December 19, 2006) (File No. 001-32686).
4.5	Fourth Supplemental Indenture, dated as of October 5, 2007, between Viacom Inc. and The Bank of New York, as trustee (including forms of Senior Notes and Senior Debentures) (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of Viacom Inc. filed October 9, 2007) (File No. 001-32686).
4.6	Fifth Supplemental Indenture, dated as of August 26, 2009, between Viacom Inc. and The Bank of New York Mellon, as trustee (including forms of Senior Notes) (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of Viacom Inc. filed August 26, 2009) (File No. 001-32686).
4.7	Sixth Supplemental Indenture, dated as of September 29, 2009, between Viacom Inc. and The Bank of New York Mellon, as trustee (including forms of Senior Notes) (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of Viacom Inc. filed September 30, 2009) (File No. 001-32686).
10.1*	\$2.0 Billion Three-Year Credit Agreement, dated as of October 8, 2010, among Viacom Inc., the subsidiaries of Viacom Inc. designated as borrowers from time to time thereunder, the Lenders named therein, JPMorgan Chase Bank, N.A., as Administrative Agent, Citibank, N.A. and Bank of America, N.A., as Syndication Agents, and Deutsche Bank Securities Inc., Morgan Stanley MUFG Loan Partners, LLC, The Royal Bank of Scotland PLC and Wells Fargo Bank, N.A., as Documentation Agents.

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<u>Exhibit No.</u>	<u>Description of Exhibit</u>
10.2	Summary of Viacom Inc. Compensation for Outside Directors (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of Viacom Inc. filed April 29, 2010) (File No. 001-32686).**
10.3	Amended Compensation Arrangement for Non-Executive Vice Chair (incorporated by reference to Exhibit 10.5 to the Quarterly Report on Form 10-Q of Viacom Inc. filed November 9, 2006) (File No. 001-32686).**
10.4	Viacom Inc. 2006 Stock Option Plan for Outside Directors (incorporated by reference to Exhibit 10.8 to the Annual Report on Form 10-K of Viacom Inc. filed March 16, 2006) (File No. 001-32686).**
10.5	Viacom Inc. 2006 RSU Plan for Outside Directors (incorporated by reference to Exhibit 10.9 to the Annual Report on Form 10-K of Viacom Inc. filed March 16, 2006) (File No. 001-32686).**
10.6	Viacom Inc. 2011 Stock Option Plan for Outside Directors (incorporated by reference to Exhibit B to the Definitive Proxy Statement of Viacom Inc. filed April 16, 2010) (File No. 001-32686).**
10.7	Viacom Inc. 2011 RSU Plan for Outside Directors (incorporated by reference to Exhibit C to the Definitive Proxy Statement of Viacom Inc. filed April 16, 2010) (File No. 001-32686).**
10.8	Viacom Inc. Deferred Compensation Plan for Outside Directors (incorporated by reference to Exhibit 10.11 to the Annual Report on Form 10-K of Viacom Inc. filed March 16, 2006) (File No. 001-32686).**
10.9	Viacom Inc. Senior Executive Short-Term Incentive Plan, as amended and restated December 2, 2008 (incorporated by reference to Exhibit 10.11 to the Annual Report on Form 10-K of Viacom Inc. filed February 12, 2009) (File No. 001-32686).**
10.10	Viacom Inc. 2006 Long-Term Management Incentive Plan, as amended and restated December 2, 2008 (incorporated by reference to Exhibit 10.12 to the Annual Report on Form 10-K of Viacom Inc. filed February 12, 2009) (File No. 001-32686).**
10.10.1	Form of LTMIP Award Certificate (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of Viacom Inc. filed May 29, 2007) (File No. 001-32686).**
10.10.2	Form of Terms and Conditions to the Stock Option Certificate (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K of Viacom Inc. filed May 29, 2007) (File No. 001-32686).**
10.10.3	Form of Terms and Conditions to the Restricted Share Units Certificate (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K of Viacom Inc. filed May 29, 2007) (File No. 001-32686).**
10.10.4	Form of Terms and Conditions to the Performance Share Units Certificate (incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K of Viacom Inc. filed May 29, 2007) (File No. 001-32686).**
10.10.5	Form of Terms and Conditions of Performance Restricted Share Units (incorporated by reference to Exhibit 10.3 to the Quarterly Report on Form 10-Q of Viacom Inc. filed August 5, 2010) (File No. 001-32686).**
10.11	Viacom Inc. 2006 Long-Term Management Incentive Plan, as amended and restated effective January 1, 2011 (incorporated by reference to Exhibit A to the Definitive Proxy Statement of Viacom Inc. filed April 16, 2010) (File No. 001-32686).**

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<u>Exhibit No.</u>	<u>Description of Exhibit</u>
10.12	Viacom Excess Pension Plan, as amended and restated January 1, 2009 (incorporated by reference to Exhibit 10.13 to the Annual Report on Form 10-K of Viacom Inc. filed February 12, 2009) (File No. 001-32686).**
10.13*	Amendment, effective as of March 31, 2009, to Viacom Excess Pension Plan, as amended and restated January 1, 2009.**
10.14	Viacom Excess 401(k) Plan for Designated Senior Executives, as amended and restated January 1, 2009 (incorporated by reference to Exhibit 10.14 to the Annual Report on Form 10-K of Viacom Inc. filed February 12, 2009) (File No. 001-32686).**
10.15*	Amendments, effective as of April 1, 2009 and December 31, 2009, to Viacom Excess 401(k) Plan for Designated Senior Executives, as amended and restated January 1, 2009.**
10.16	Viacom Bonus Deferral Plan for Designated Senior Executives, as amended and restated January 1, 2009 (incorporated by reference to Exhibit 10.15 to the Annual Report on Form 10-K of Viacom Inc. filed February 12, 2009) (File No. 001-32686).**
10.17*	Amendment, effective as of December 31, 2009, to Viacom Bonus Deferral Plan for Designated Senior Executives, as amended and restated January 1, 2009.**
10.18	Employment Agreement with Sumner M. Redstone, dated September 25, 2006 (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of Viacom Inc. filed September 26, 2006) (File No. 001-32686).**
10.19	Employment Agreement between Viacom Inc. and Philippe P. Dauman, as amended and restated as of April 14, 2010 (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q of Viacom Inc. filed April 29, 2010) (File No. 001-32686).**
10.20	Employment Agreement between Viacom Inc. and Thomas E. Dooley, as amended and restated as of May 27, 2010 (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of Viacom Inc. filed August 5, 2010) (File No. 001-32686).**
10.21	Employment Agreement between Viacom Inc. and Michael D. Fricklas, dated as of October 2, 2009 (incorporated by reference to Exhibit 10.17 to the Annual Report on Form 10-K of Viacom Inc. filed February 11, 2010) (File No. 001-32686).**
10.22*	Employment Agreement between Viacom Inc. and Denise White, effective as of July 1, 2010.**
10.23*	Employment Agreement between Viacom Inc. and James W. Barge, effective as of October 1, 2010.**
10.24	Service Agreement, dated as of March 1, 1994, between George S. Abrams and Former Viacom (incorporated by reference to Exhibit 10(q) to the Annual Report on Form 10-K of Former Viacom filed on March 31, 1995) (File No. 001-09553), assigned to Viacom Inc.**
10.25	Separation Agreement dated as of December 19, 2005 by and between Former Viacom and New Viacom Corp. (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of New Viacom Corp. filed December 21, 2005) (File No. 001-32686).
10.26	Tax Matters Agreement dated as of December 30, 2005 by and between Former Viacom and New Viacom Corp. (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of Viacom Inc. filed January 5, 2006) (File No. 001-32686).
18.1*	Preferability Letter from PricewaterhouseCoopers LLP, dated November 11, 2010.
21.1*	Subsidiaries of Viacom Inc.

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<u>Exhibit No.</u>	<u>Description of Exhibit</u>
23.1*	Consent of PricewaterhouseCoopers LLP, independent registered public accounting firm for Viacom Inc.
24.1*	Powers of Attorney.
31.1*	Certification of the Chief Executive Officer of Viacom Inc. pursuant to Rule 13a-14(a) or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of the Chief Financial Officer of Viacom Inc. pursuant to Rule 13a-14(a) or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of the Chief Executive Officer of Viacom Inc. furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of the Chief Financial Officer of Viacom Inc. furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS***	XBRL Instance Document.
101.SCH***	XBRL Taxonomy Extension Schema.
101.CAL***	XBRL Taxonomy Extension Calculation Linkbase.
101.DEF***	XBRL Taxonomy Extension Definition Linkbase.
101.LAB***	XBRL Taxonomy Extension Label Linkbase.
101.PRE***	XBRL Taxonomy Extension Presentation Linkbase.

* Filed herewith.

** Represents a management contract or compensatory plan or arrangement required to be filed as an exhibit.

*** Furnished herewith.

\$2,000,000,000

THREE-YEAR CREDIT AGREEMENT

among

VIACOM INC.,

THE SUBSIDIARY BORROWERS PARTIES HERETO,

THE LENDERS NAMED HEREIN,

JPMORGAN CHASE BANK, N.A.,

as Administrative Agent,

CITIBANK, N.A., and

BANK OF AMERICA, N.A.

as Syndication Agents

and

DEUTSCHE BANK SECURITIES INC.,

MORGAN STANLEY MIFG LOAN PARTNERS, LLC,

THE ROYAL BANK OF SCOTLAND PLC, and WELLS FARGO BANK, N.A.

as Documentation Agents,

Dated as of October 8, 2010

J.P. MORGAN SECURITIES LLC,
CITIGROUP GLOBAL MARKETS INC., and
BANC OF AMERICA SECURITIES LLC

as Joint Lead Arrangers and Joint Bookrunners

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EXHIBITS

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Exhibit B-2	Form of Notice of Competitive Bid Request
Exhibit B-3	Form of Competitive Bid
Exhibit B-4	Form of Revolving Credit Borrowing Request
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Exhibit B-6	Form of Notice of Designated Letter of Credit
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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
Exhibit I	Form of Certificate of Effectiveness

SCHEDULES

Schedule 1.1	Commitments; Addresses for Notices
Schedule 1.1(a)	Guarantees
Schedule 5.6	Subsidiary Indebtedness

THREE-YEAR CREDIT AGREEMENT entered into as of October 8, 2010, among VIACOM INC., a Delaware corporation (“*Viacom*”), 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*”); JPMORGAN CHASE BANK, N.A., a national banking association (“*JPMorgan Chase*”), as administrative agent for the Lenders; CITIBANK, N.A., a national banking association, and BANK OF AMERICA, N.A., a national banking association, as syndication agents for the Lenders (in such capacity, the “*Syndication Agents*”); and, DEUTSCHE BANK SECURITIES INC., MORGAN STANLEY MUFG LOAN PARTNERS, LLC, THE ROYAL BANK OF SCOTLAND PLC, and WELLS FARGO BANK, N.A., as documentation agents for the Lenders (in such capacity, the “*Documentation Agents*”).

WITNESSETH:

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 and cause the issuance of letters of credit in an aggregate amount not to exceed \$2.00 billion (except as reduced or increased pursuant to Section 2.13) on a revolving credit basis on and after the Effective 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 \$1.0 billion (except as reduced pursuant to Section 2.13), which the Lenders will make available to the Borrowers 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

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. All ABR Loans shall be denominated in Dollars.

“*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 JPMorgan Chase in its capacity 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 among Viacom, the Administrative Agent and J.P. Morgan Securities LLC dated as of September 15, 2010 (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 Inc. 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, the Joint Bookrunners, the Documentation Agents and the 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 Three-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 1/100 of 1%) equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1% and (c) the Eurocurrency Rate as of such day (or, if such day is not a Business Day, the immediately preceding Business Day) for a one-month Interest Period commencing two Business Days thereafter plus 1.00%. For purposes hereof, “*Prime Rate*” shall mean the rate of interest per annum publicly announced from time to time by 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 greater of the rates referred to in clause (a) or (c) above 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, the Federal Funds Effective Rate or the Eurocurrency Rate shall be effective on the effective date of such change in the Prime Rate, the Federal Funds Effective Rate or the Eurocurrency Rate, respectively.

“*Applicable Commitment Fee Rate*” shall mean, with respect to any date, the “Applicable Commitment Fee Rate” on such date as determined in accordance with the Pricing Grid set forth in Annex I hereto.

“*Applicable LC Fee Rate*” shall mean on any day (a) with respect to any Financial Letter of Credit, a rate per annum equal to the Credit Default Swap Spread as of the most recent CDS Determination Date for Letters of Credit, but in no event less than the “Minimum Applicable Margin” or more than the “Maximum Applicable Margin” applicable to Eurocurrency Loans in accordance with the Pricing Grid set forth in Annex I hereto and (b) with respect to any Non-Financial Letter of Credit, a rate per annum equal to 50% of the rate determined under the preceding clause (a).

“*Applicable Margin*” shall mean, as of any date, with respect to (a) any Eurocurrency Loan, a rate per annum equal to the Credit Default Swap Spread as of the most recent CDS Determination Date for such Eurocurrency Loan and (b) any ABR Loan, a rate per annum equal to the Credit Default Swap Spread as of the most recent CDS Determination Date for such ABR Loan less 1.00%. Notwithstanding the foregoing, the Applicable Margin for Eurocurrency Loans in effect at any time shall not be less than the “Minimum Applicable Margin”, and shall not exceed the “Maximum Applicable Margin”, in each case applicable to Eurocurrency Loans at such time in accordance with the Pricing Grid set forth in Annex I hereto, and the Applicable Margin for ABR Loans in effect at any time shall not be less than the “Minimum Applicable Margin” and shall not exceed the “Maximum Applicable Margin”, in each case applicable to ABR Loans at such time in accordance with said Pricing Grid.

“*ASC*” shall mean Financial Accounting Standards Board Accounting Standard Codification.

“*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.

“*Bankruptcy Event*” means, with respect to any Person, that such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment; provided that a Bankruptcy Event shall not result solely by virtue of any control of or ownership interest, or the acquisition of any ownership interest, in such Person by a governmental authority or instrumentality thereof so long as such control of or ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such governmental authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

“*Board*” shall mean the Board of Governors of the Federal Reserve System of the United States.

“*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 Eurocurrency Loan (including 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 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.

“*CDS Determination Date*” shall mean (a) as to any Eurocurrency Revolving Credit Loan, the second Business Day prior to the Business Day such Eurocurrency Revolving Credit Loan is borrowed and, if applicable, the last Business Day prior to the continuation of such Eurocurrency Revolving Credit Loan; *provided*, that, in the case of any Eurocurrency Revolving Credit Loan having an Interest Period of greater than three months, the last Business Day prior to each three-month period succeeding such initial three-month period shall also be a CDS Determination Date and (b) as to any ABR Revolving Credit Loan or any Letter of Credit, initially the Effective Date and thereafter the first Business Day of each succeeding calendar quarter. The Credit Default Swap Spread determined on each CDS Determination Date will be in effect for the applicable Eurocurrency Revolving Credit Loan, ABR Revolving Credit Loan or Letter of Credit commencing with and including such CDS Determination Date to but excluding the next applicable CDS Determination Date.

“*Closing Certificate*” shall mean a certificate, substantially in the form of Exhibit E.

“*Closing Date*” shall mean October 8, 2010.

“*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, refund or acquire participations in 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, reduced or increased from time to time pursuant to Section 2.13 or changed pursuant to Section 9.4.

"*Commitment Fees*" shall mean all fees payable pursuant to Section 2.9(a).

"*Commitment Increase Date*" shall mean the date of any increase in the Total Commitment pursuant to Section 2.13.

"*Commitment Increase Letter*" shall have the meaning assigned to such term in Section 2.13(f) 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 aggregate outstanding principal amount of Revolving Credit Loans, 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).

"*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), plus other income (loss), plus interest income, plus depreciation and amortization (excluding amortization related to programming rights, prepublication costs, videocassettes and DVDs), 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) and (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, (iii) pension settlement charges, (iv) non-cash charges associated with grants of stock options, employee stock purchase plans and other equity-based compensation awards to employees and directors, in each case under this clause (iv) that are expensed in accordance with ASC 718, and (v) impairment charges).

“*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.

“*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 Default Swap Spread*” shall mean, at any CDS Determination Date, the credit default swap spread applicable to Index Debt of Viacom interpolated for a period to the Revolving Credit Maturity Date, determined as of the close of business on the Business Day immediately preceding such CDS Determination Date, as reported and interpolated by Markit Group Limited or any successor thereto; *provided*, that if such period is less than one year, the Credit Default Swap Spread shall be based on the credit default swap spread shown for a period of one year. If at any time the Credit Default Swap Spread is unavailable, Viacom and the Lenders shall negotiate in good faith (for a period of up to thirty days after the Credit Default Swap Spread becomes unavailable (such thirty-day period, the “*Negotiation Period*”)) to agree on an alternative method for establishing the Applicable Margin for Eurocurrency Revolving Credit Loans and ABR Revolving Credit Loans. The Applicable Margin for Eurocurrency Revolving Credit Loans and ABR Revolving Credit Loans for any day which falls during the Negotiation Period shall be based upon the Credit Default Swap Spread determined as of the close of business on the last Business Day on which the Credit Default Swap Spread was available. If no such alternative method is agreed upon during the Negotiation Period, the Applicable Margin for Eurocurrency Revolving Credit Loans and ABR Revolving Credit Loans for any day subsequent to the end of the Negotiation Period shall be a rate

per annum equal to 75% of the “Maximum Applicable Margin” for Eurocurrency Revolving Credit Loans or ABR Revolving Credit Loans, as the case may be, applicable at such time in accordance with the Pricing Grid set forth in Annex I.

“*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 Index Debt, 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.

“*Defaulting Lender*” shall mean any Lender that (a) has failed, within three Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or ABR Swingline Loans or (iii) pay over to the Administrative Agent or any Lender any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender’s good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied or, in the case of clause (iii), such payment is the subject of a good faith dispute, (b) has notified any Borrower, the Administrative Agent or any Lender in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender’s good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a Loan cannot be satisfied) or under other agreements generally in which it commits to extend credit, (c) has failed, within three Business Days after request by the Administrative Agent or a Lender acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations to fund prospective Loans and participations in then outstanding Letters of Credit and ABR Swingline Loans; *provided* that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon the receipt by the Administrative Agent or the requesting Lender, as applicable, of such certification in form and substance satisfactory to it and the Administrative Agent, or (d) has, or the parent company or bank of such Lender has, become the subject of a Bankruptcy Event.

“*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 Effective 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.

“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 Agents” shall have the meaning assigned to such term in the preamble hereto.

“Dollars” or “\$” shall mean lawful money of the United States of America.

“Effective Date” shall mean the date on which the conditions specified in Section 4.1 are satisfied (or waived in accordance with Section 9.8(b)).

“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 Borrowing Minimum” means (a) in the case of a borrowing denominated in Dollars, \$10,000,000, (b) in the case of a borrowing denominated in Euros, €5,000,000, (c) in the case of a borrowing denominated in Sterling, £5,000,000 and (d) in the case of a borrowing denominated in Yen, ¥500,000,000.

“Eurocurrency Borrowing Multiple” means (a) in the case of a borrowing denominated in Dollars, \$1,000,000, (b) in the case of a borrowing denominated in Euros, €1,000,000, (c) in the case of a borrowing denominated in Sterling, £1,000,000 and (d) in the case of a borrowing denominated in Yen, ¥100,000,000.

“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 (except any Eurocurrency Loan denominated in

Euro or 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 Reuters Screen LIBOR01 (or on any successor or substitute screen provided by Reuters, or any successor to or substitute for such service, providing rate quotations comparable to those currently provided on such screen, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to deposits in such currency in the London interbank market) as of 11:00 a.m., London time, two Business Days prior to the beginning of such Interest Period, (b) pertaining to any Eurocurrency Loan denominated in Euro, the rate of interest determined on the basis of the rate for deposits in Euro for a period equal to such Interest Period commencing on the first day of such Interest Period appearing on Reuters Screen EURIBOR01 (or on any successor or substitute screen provided by Reuters, or any successor to or substitute for such service, providing rate quotations comparable to those currently provided on such screen, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to deposits in Euro in the European interbank market) as of 11:00 a.m., London time, two Business Days prior to the beginning of such Interest Period and (c) pertaining to any Eurocurrency Loan denominated in Sterling, the rate of interest determined on the basis of the rate for deposits in Sterling for a period equal to such Interest Period commencing on the first day of such Interest Period appearing on Reuters Screen LIBOR01 (or on any successor or substitute screen provided by Reuters, or any successor to or substitute for such service, providing rate quotations comparable to those currently provided on such screen, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to deposits in such currency in the London interbank market) as of 11:00 a.m., London time, on the first day of such Interest Period. With respect to clause (a), (b) or (c) of the preceding sentence, in the event that such rate does not appear on such Reuters Screen (or on any successor or substitute screen provided by Reuters, or any successor to or substitute for such service, providing rate quotations comparable to those currently provided on such screen), the “Eurocurrency Rate” shall instead be the interest rate per annum (rounded upwards, if necessary, to the next 1/100 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 (i) in the case of a Eurocurrency Tranche, the portion of such Eurocurrency Tranche of the Lender serving as Administrative Agent and (ii) 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 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 (or, in the case of a Loan denominated in Sterling, on the first day of such Interest Period).

“*Eurocurrency Revolving Credit Loan*” shall mean any Revolving Credit Loan which is a Eurocurrency Loan. Subject to the limitations contained herein, a Eurocurrency Revolving Credit Loan may be a Multi-Currency Revolving Loan.

“*Eurocurrency Tranche*” shall mean the collective reference to Eurocurrency Loans 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).

“*Euros*” or “*€*” 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.

“*Exchange Act Report*” shall have the meaning assigned to such term in Section 3.3.

“*Existing Credit Agreement*” shall mean the Five-Year Credit Agreement, dated as of December 8, 2005, as amended by Amendment No. 1 thereto, dated as of December 11, 2009, among Viacom, each subsidiary borrower party thereto, the lenders named therein, JPMorgan Chase Bank, N.A., as administrative agent, Citibank, N.A., as syndication agent, and Bank of America, N.A., Deutsche Bank Securities Inc., and The Bank of Tokyo-Mitsubishi, Ltd., New York Branch, as co-documentation 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.

“*FATCA*” means Sections 1471 through 1474 of the Code, as of the date of this Agreement and any current or future regulations or official interpretations thereof.

“*Federal Funds Effective Rate*” shall have the meaning assigned to such term in the definition of “Alternate Base Rate”.

“*Fees*” shall mean the Commitment Fees, the Administrative Agent’s Fees, the Issuing Lender Fees and the LC 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 Senior Vice President and Treasurer, or its 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, 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, as set forth at approximately 11:00 a.m., London time, on such date on the Reuters World Currency Page for such Foreign Currency. In the event that such rate does not, or ceases to, so appear on any Reuters World Currency Page, 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 arithmetic average of the spot rates of exchange of the Administrative Agent in the market where its foreign currency exchange operations in respect of such Foreign Currency are then being conducted, at or about 11:00 a.m., local time, on such date for the purchase of Dollars with such Foreign Currency for delivery two Business 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 the 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 guarantees of Indebtedness that are identified on Schedule 1.1(a) hereto, and (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 (i) 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 or (ii) financings by way of sales or transfers of receivables or inventory, which will be accounted for as indebtedness in accordance with ASC 860 and ASC 810.

"Indemnified Person" shall have the meaning assigned to such term in Section 9.5(b).

"Index Debt" shall mean senior, unsecured, non-credit enhanced long-term indebtedness for borrowed money issued by Viacom.

"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 Credit 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 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 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 term *“Issuing Lender”* shall include 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 Bookrunners” shall mean J.P. Morgan Securities LLC, Citigroup Global Markets Inc. and Banc of America Securities LLC.

“Joint Lead Arrangers” shall mean J.P. Morgan Securities LLC, Citigroup Global Markets Inc. and Banc of America Securities LLC.

“JPMorgan Chase” shall have the meaning assigned to such term in the preamble to this 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 to 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.

“*Losses*” shall have the meaning assigned to such term in Section 9.5(b).

“*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.

“*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, excluding any effects which may result from non-cash charges arising from ASC 350, ASC 360 and/or ASC 718, as applicable, issued by the Financial Accounting Standards Board.

“*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.

“*MNPI*” means material information concerning Viacom and its Subsidiaries and their securities that has not been disseminated in a manner making it available to investors generally, within the meaning of Regulation FD under the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended.

“*Moody’s*” shall mean Moody’s Investors Service, Inc. or any successor thereto.

“*Multi-Currency*” shall mean Euros, Sterling and Yen.

“*Multi-Currency Revolving Loans*” shall mean each Eurocurrency Revolving Credit Loan denominated in any Multi-Currency.

“*Multi-Currency Sublimit*” shall mean with respect to (i) Euros, \$500,000,000, (ii) Sterling, \$500,000,000 and (iii) Yen, \$300,000,000, as the sublimit may be decreased from time to time in accordance with Section 2.13.

“*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(e).

“*New Lender Supplement*” shall mean an agreement, substantially in the form of Exhibit G, executed by a New Lender, Viacom and the Administrative Agent, pursuant to which such New Lender agrees to become a Lender hereunder.

“*Non-Consenting Lender*” shall have the meaning assigned to such term in Section 2.21(b).

“*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.

“*Participant Register*” shall have the meaning assigned to such term in Section 9.4(e).

“*Patriot Act*” shall have the meaning assigned to such term in Section 9.18.

“*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.

“*Platform*” shall have the meaning assigned to such term in Section 9.20(b).

“*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 JPMorgan 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%, subject to the provisions of Section 2.24 with respect to any Defaulting Lender.

“*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 Eurocurrency Loan or an ABR Loan.

“*Revolving Credit Maturity Date*” shall mean the date that occurs three (3) years after the Effective Date.

“*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); *provided* that, for the purposes of calculating the Revolving Credit Percentages only, the term “Commitment” shall not include any commitment of a Lender to make ABR Swingline Loans or to issue Letters of Credit.

“*S&P*” shall mean Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., or any successor thereto.

“*SEC*” shall mean the Securities and Exchange Commission.

“*SPC*” shall have the meaning specified in Section 9.4(i).

“*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.

“*Spot Rate*” shall mean, at any date, the Administrative Agent’s or applicable 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*” or “*£*” shall mean British Pounds Sterling, the lawful currency of the United Kingdom on the Closing Date

“*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 9.17.

“*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 any 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.

“*Taxes*” shall have the meaning assigned to such term in Section 2.20(a).

“*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 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).

“*Total Multi-Currency Sublimit*” shall mean \$1,000,000,000, as such sublimit may be decreased from time to time in accordance with Section 2.13.

“*Total Specified Currency Availability*” shall mean with respect to Multi-Currency Revolving Loans, \$1,000,000,000 (as 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).

“*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.

“*Viacom*” 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*” or “*¥*” 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 Viacom’s financial statements referred to in Section 3.2 is, after the Closing Date, 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.

(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.

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 Effective 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 Effective Date and prior to the Revolving Credit Maturity Date, subject to the terms, conditions and limitations set forth herein. Notwithstanding any other provision contained in this Agreement, no extension of credit shall be required to be made by any Lender hereunder to any Subsidiary Borrower organized in a non-US jurisdiction if it would be unlawful for any such Lender to extend such credit to such Subsidiary Borrower. Each Lender agrees to promptly notify the Administrative Agent and Viacom upon becoming aware that the making of an extension of credit to any such Subsidiary Borrower would be unlawful.

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, 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 or Competitive Loans shall be made in amounts equal to (i) in the case of Competitive Loans, \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof and (ii) in the case of Eurocurrency Revolving Credit Loans, the applicable Eurocurrency Borrowing Minimum or an integral multiple of the applicable Eurocurrency Borrowing Multiple in excess thereof and (iii) in the case of ABR Revolving Credit Loans, \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof (or (A) in the case of Revolving Credit Loans, an aggregate principal amount equal to the remaining balance of the available Total Commitment or, if less, (B) with respect to Multi-Currency Revolving Loans, the lesser of (1) the Specified Currency Availability with respect to such currency and (2) the Total Specified Currency Availability).

(b) Each Lender shall make each Loan (other than a Swingline Loan, as to which this Section 2.2 shall not apply, and a Multi-Currency Revolving 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. Each Lender shall make each Multi-Currency Revolving Loan to be made by it on the proposed date thereof by wire transfer of immediately available funds to the Administrative Agent at its offices at J.P. Morgan Europe Limited, 125 London Wall, London, England EC2Y 5AJ, United Kingdom, not later than (i) in the case of any Multi-Currency Revolving Loan denominated in Euros or Sterling, 2:00 p.m., London time, or (ii) in the case of any Multi-Currency Revolving Loan denominated in Yen, 2:00 p.m., Tokyo 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 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 an aggregate amount that is (i) in the case of Competitive Loan denominated in Dollars, not less than \$5,000,000, (ii) in the case of Competitive Loan denominated in Multi-Currency, not less than the applicable Eurocurrency Borrowing Minimum and (iii) in the case of any Competitive Loan, an integral multiple of the applicable Eurocurrency Borrowing Multiple 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 Business 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 Business 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 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 one Business Day's 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 Eurocurrency Revolving Credit Loan denominated in Dollars, 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 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 Eurocurrency 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; (iii) in the case of a Eurocurrency Revolving Credit 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 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. For the avoidance of doubt, subject to Article VIII, each Borrower's obligations hereunder are and shall be the several obligations of such Borrower, and shall not be the joint and several obligations of the Borrowers.

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 Effective 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*”) in Dollars 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*”) in Dollars to any Swingline Borrower bearing interest at a rate equal to the Alternate Base Rate plus the Applicable Margin in an aggregate principal amount (in the case of this clause (ii)) not to exceed such Swingline Lender’s Swingline Commitment; *provided*, that after giving effect to each Swingline Loan, the Total Facility Exposure shall not exceed the Total Commitment then in effect. 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 Effective 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 teletype notice substantially in the form of Exhibit B-5 (in the case of telephonic notice, such notice shall be promptly confirmed by teletype) 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 (other than an Event of Default described in Article VI, paragraph (f) or (g), in the case of each Lender's obligation to make Revolving Credit Loans pursuant to Section 2.6(c)) 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) in 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 Effective 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 (A) in no event shall the Aggregate LC Exposure exceed \$750,000,000 at any time and (B) after giving effect to each issuance of a Letter of Credit, the Total Facility Exposure shall not exceed the Total Commitment then in effect. 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 Effective 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 may submit requests for the issuance of Letters of Credit in a form reasonably acceptable to the applicable Issuing Lender and 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. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the applicable Borrower to, or entered into by the applicable Borrower with, the applicable Issuing Lender relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

(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 a 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 (except as otherwise set forth in Section 2.22), 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 Eurocurrency Revolving Credit Loans denominated in Dollars (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 Eurocurrency Revolving Credit Loans denominated in Dollars by giving the Administrative Agent at least three Business Days' prior irrevocable notice of such election. Any such notice of conversion to Eurocurrency 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 Eurocurrency 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 Eurocurrency 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 Eurocurrency 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 Eurocurrency 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 Eurocurrency Revolving Credit Loans shall be automatically converted to ABR Revolving Credit Loans on the last day of such then expiring Interest Period (in the case of Multi-Currency Revolving Loans, such Loans shall be converted to Dollars at the Foreign Exchange Rate on such date before being converted to ABR Revolving Credit Loans). 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 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 (subject to the provisions of Section 2.24 with respect to any Defaulting Lender) a Commitment Fee for the period from and including the Effective 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 Commitment Fee Rate on the average daily unused amount of such Lender's Commitment during the applicable period. All Commitment 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 (commencing on the first of such dates to occur after the Effective Date) and on the Revolving Credit Maturity Date or such earlier date on which the Commitments shall be terminated. For purposes of computing Commitment Fees, the Commitment of a Lender shall be deemed to be used to the extent of the outstanding Revolving Credit Loans and LC Exposure of such Lender (and any Competitive Loan, Swingline Loan and Swingline Exposure of such Lender shall not be considered usage of such Lender's Commitment for purposes of this Section 2.9(a)).

(b) Except as otherwise provided in Section 2.24 hereof with respect to any Defaulting Lender, Viacom agrees to pay each Lender, through the Administrative Agent, on the 15th day of each April, July, October and January 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 fiscal quarter (or shorter

period commencing with the Effective 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) Except as otherwise provided in Section 2.24 hereof with respect to any Defaulting Lender, 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 with respect to each Letter of Credit issued by such Issuing Lender payable on the 15th day of each April, July, October and January 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) 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 to correct 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 or, in the case of Eurocurrency Loans denominated in Sterling, a year of 365 days) at a rate per annum equal to (i) in the case of each Eurocurrency Revolving Credit Loan, the Eurocurrency Rate for the Interest Period in effect for such Loan plus the Applicable Margin and (ii) in the case of each Eurocurrency Competitive Loan, the Eurocurrency Rate for the Interest Period in effect for such Loan plus or minus (as the case may be) 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 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 plus the Applicable Margin. 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, each borrowing, conversion, continuation, repayment and prepayment of Eurocurrency Revolving Credit Loans hereunder and each selection of an Interest Period hereunder in respect of Eurocurrency Revolving Credit Loans shall be in an aggregate amount that is an integral multiple of the applicable Eurocurrency Borrowing Multiple and not less than the applicable Eurocurrency Borrowing Minimum. 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 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 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 Eurocurrency Competitive Loan shall in no case be less than one month's duration.

Section 2.11. *Default Interest.* (a) 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 that is 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 Required Lenders shall have determined and shall have notified the Administrative Agent that the Eurocurrency 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 Eurocurrency 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 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 Credit Loan denominated in Dollars pursuant to Section 2.4 to be made after such determination shall be deemed to be a request for an ABR Loan, (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 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); *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 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 \$5,000,000 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 Commitment Fees on the amount of the Commitments so terminated or reduced accrued through the date of such termination or reduction.

(c) Upon a decrease, pursuant to Section 2.13(a) or (b), in the Commitments, Viacom may decrease the Total Multi-Currency Sublimit and/or the Multi-Currency Sublimit with respect to any or all Multi-Currencies, in each case in a minimum principal amount of \$5,000,000 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, (i) 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 or (ii) the Total Multi-Currency Sublimit would be less than the outstanding principal amount of Multi-Currency Revolving Loans at such time.

(d) Viacom shall have the right at any time and from time to time to increase the Total Commitment to an aggregate amount not to exceed \$2,500,000,000 (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 and each Issuing Lender (which consent shall not be unreasonably withheld); *provided further*, that 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*, that the amount of the increase of any Lender's Commitment pursuant to clause (ii) above shall be in an aggregate principal amount at least equal to \$10,000,000.

(e) Any additional bank, financial institution or other entity which elects to become a party to this Agreement and obtain a Commitment pursuant to subsection (d) of this Section 2.13 shall execute a new lender supplement in substantially the form of Exhibit G hereto (a "*New Lender Supplement*") with Viacom and the Administrative Agent, 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.

(f) Any increase in the Total Commitment pursuant to subsection (d)(ii) of this Section 2.13 shall be effective only upon the execution by the applicable Lender and Viacom of a commitment increase letter in substantially the form of Exhibit H hereto (a "*Commitment Increase Letter*"), which Commitment Increase Letter shall be delivered by Viacom or such Lender to the Administrative Agent not less than five (5) Business Days prior to the applicable Commitment Increase Date and shall specify (i) the amount of the increase in the Commitment of such Lender and (ii) the date such increase is to become effective. Upon its receipt of such Commitment Increase Letter executed by such Lender and Viacom, the Administrative Agent shall accept such Commitment Increase Letter and record the information contained therein in the Register.

(g) 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 applicable 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 such 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; and

(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 Commitment 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(g).

(h) On each Commitment Increase Date, each New Lender and each Lender that has delivered a Commitment Increase Letter, in each case whose new Commitment or increased Commitment becomes effective on such date, shall purchase by assignment from the other Lenders such portion of the Loans (if any) owing to them as shall be designated by the Administrative Agent such that, after giving effect to all such purchases and assignments, the outstanding Loans owing to each Lender shall equal such Lender's Revolving Credit Percentage (calculated after giving effect to such increase in the Total Commitment) of the aggregate amount of Loans owing to all Lenders. The purchases and assignments pursuant to this subsection (h) shall be deemed to have been accomplished in accordance with Section 9.4(b).

(i) 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 Eurocurrency 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 Eurocurrency Revolving Credit Loans, ABR Revolving Credit Loans or a combination thereof, and, if of a combination thereof,

the amount allocable to each. If a Eurocurrency 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. Each partial prepayment of Revolving Credit Loans shall be in an aggregate principal amount equal to a whole multiple of the Eurocurrency Borrowing Multiple applicable to the currency in which such Revolving Credit Loans are denominated.

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 Eurocurrency 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 Eurocurrency 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 Eurocurrency 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 Eurocurrency 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 Eurocurrency 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 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 the relevant Borrower 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 or Issuing 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 or Issuing 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 Issuing 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 Issuing Lenders affected thereby to comply therewith. No Lender or Issuing 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 or Issuing 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 Issuing Lender (as the case may be) 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 Issuing Lender pursuant to this Section 2.15 for any cost and such Lender or Issuing

Lender (as the case may be) shall subsequently receive a refund in respect thereof, such Lender or Issuing Lender (as the case may be) shall so notify such Borrower and, upon its request, will pay to such Borrower the portion of such refund which such Lender or Issuing Lender (as the case may be) 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 Eurocurrency 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 Eurocurrency 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 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 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 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 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 (i) 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 (ii) 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 JPMorgan Chase Bank, N.A., 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 J.P. Morgan Europe Limited, 125 London Wall, London, England EC2Y 5AJ, 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* (i) net income taxes and franchise taxes (imposed in lieu of net income taxes) imposed on the Administrative Agent or any Lender (or Transferee) as a result of a present or former connection between the Administrative Agent or such Lender (or Transferee) 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 (or Transferee's) having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement or any other Loan Document) and (ii) any taxes that are imposed by reason of FATCA (all such nonexcluded taxes, levies, imposts, duties, charges, fees, deductions, charges, withholdings and liabilities being hereinafter referred to as "*Taxes*"). If any Borrower or the Administrative Agent 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 (or Transferee)

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 (or Transferee) shall receive an amount equal to the sum it would have received had no such deductions been made, (ii) such Borrower or the Administrative Agent shall make such deductions and (iii) such Borrower or the Administrative Agent 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) (i) 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 and the Administrative Agent at any time it determines that it is no longer in a position to provide any previously delivered certificate to Viacom and the Administrative Agent (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 to any Lender (or Transferee) 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 to or for any such 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). For purposes of the previous sentence, any regulations or official interpretations of FATCA issued after the date such Non-U.S. Person becomes a Lender (or Transferee) shall be treated as having been issued before such date.

(ii) If a payment made to a Lender (or Transferee) under any Loan Document would be subject to U.S. federal withholding tax imposed by FATCA if such Lender (or Transferee) were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender (or Transferee) shall deliver to Viacom and the Administrative Agent, at the time or times prescribed by law and at such time or times reasonably requested by Viacom and the Administrative Agent, such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by Viacom and the Administrative Agent as may be necessary for Viacom and the Administrative Agent to comply with its obligations under FATCA, to determine that such Lender (or Transferee) has complied with such Lender's (or Transferee's) obligations under FATCA or to determine the amount to deduct and withhold from such payment.

(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 pursuant to paragraph (a) above (i) if the obligation to pay such additional amounts would not have arisen but for a failure by the applicable Lender (or Transferee) 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 good faith determination of such Lender (or Transferee), be otherwise disadvantageous to such Lender (or Transferee).

(b) In the event that (i) any Lender shall have delivered a notice or certificate pursuant to Section 2.15, (ii) any Borrower shall be required to make additional payments to any Lender under Section 2.20, (iii) 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 the Required Lenders or (iv) any Lender shall be or become a Defaulting Lender, 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 (iii) above) or (ii) to require such Lender (or, in the case of clause (iii) 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 (A) in the case of any replacement of Non-Consenting Lenders, each assignee shall have consented to the relevant amendment, (B) no such termination or assignment shall conflict with any law, rule or regulation or order of any Governmental Authority, (C) 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 (D) 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 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 applicable Borrowers and the Lenders of the Dollar equivalent so determined by it. Each such determination shall be based on the Spot Rate (i) (A) on the date of the related Competitive Bid Request, for purposes of the initial determination of such Competitive Bid Loan, and (B) on the date of the related Revolving Credit Borrowing Request, for purposes of the initial determination of such Multi-Currency Revolving 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 to a drawing thereunder.

(c) If after giving effect to any such determination of a Dollar equivalent with respect to Competitive Bid Loans or 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, (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 collateralize) 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 after giving effect to any such determination of a Dollar equivalent 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, cause to be reduced (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 of a Competitive Bid Loan or a Multi-Currency Revolving Loan 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, 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.

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 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 each 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 applicable 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 applicable Borrower.

Section 2.24. *Defaulting Lenders.* If any Lender becomes a Defaulting Lender then, upon notice to such effect by the Administrative Agent (which notice shall be given promptly after the Administrative Agent determines that any Lender shall have become a Defaulting Lender, including as a result of being advised thereof by Viacom), the following provisions shall apply:

(i) Commitment Fees shall cease to accrue, and shall cease to be payable, on the unused portion of such Defaulting Lender's Commitment while such Defaulting Lender remains a Defaulting Lender.

(ii) The Commitment and outstanding extensions of credit of such Defaulting Lender shall not be included in determining whether the Required Lenders or other requisite Lenders have taken or may take any action hereunder (including any consent to any amendment or waiver); *provided* that any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender shall require the consent of such Defaulting Lender (in such case, to the extent such Defaulting Lender is an affected Lender).

(iii) All or any part of such Defaulting Lender's aggregate principal amount of all ABR Swingline Loans outstanding at such time and LC Exposure shall be reallocated among the non-Defaulting Lenders in accordance with their pro rata shares of the Total Commitment, but only to the extent the sum of all non-Defaulting Lenders' Outstanding Revolving Extensions of Credit plus such Defaulting Lender's aggregate principal amount of all ABR Swingline Loans outstanding at such time and LC Exposure does not exceed the total of all non-Defaulting Lenders' Commitments.

(iv) If the LC Exposure of such Defaulting Lender is reallocated pursuant to subparagraph (iii) above, then the LC Fee payable to the Lenders shall be adjusted in accordance with such reallocation.

(v) If the reallocation described in clause (iii) above cannot, or can only partially, be effected, then one or more Borrowers shall within one Business Day following notice by the Administrative Agent, do one or both (at such Borrower's election) of the following in an amount necessary to allow the reallocation described in clause (iii) above to be fully effected within the limit of the total of all non-Defaulting Lenders' Commitments: (x) prepay the portion of the aggregate principal amount of outstanding ABR Swingline Loans allocated to such Defaulting Lender at such time and/or (y) cash collateralize for the benefit of the Issuing Lenders one or more Borrower's obligations corresponding to the portion of such Defaulting Lender's LC Exposure (in each case, as determined after giving effect to any partial reallocation pursuant to clause (iii) above) for so long as such LC Exposure is outstanding or such Defaulting Lender remains a Defaulting Lender.

(vi) If a Borrower cash collateralizes any portion of such Defaulting Lender's LC Exposure pursuant to clause (v) above, such Borrower shall not be required to pay any fees to such Defaulting Lender with respect to such Defaulting Lender's LC Exposure during the period such Defaulting Lender's LC Exposure is cash collateralized.

(vii) The Administrative Agent may adjust the allocation of payments hereunder to ensure that a Defaulting Lender does not receive payment in respect

of any Loan or LC Disbursement that it did not fund or to reflect any of the actions or adjustments referred to herein.

In the event that the Administrative Agent, each Borrower, the Swingline Lender and each Issuing Lender agree that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then (A) the aggregate principal amount of all ABR Swingline Loans outstanding at such time and LC Exposure of the Lenders shall be readjusted to reflect the inclusion of such Lender's Commitment and on such date such Lender shall purchase at par such of the Loans (other than Competitive Loans and Swingline Loans) and participations in unreimbursed Letter of Credit disbursements of the other Lenders as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its pro rata share and (B) any cash collateral provided by any Borrowers under clause (v) above with respect to such Lender's LC Exposure shall be released by the Issuing Lenders and returned to such Borrowers. The rights and remedies against a Defaulting Lender set forth in this Section 2.24 are in addition to other rights and remedies that each Borrower, the Administrative Agent or any Lender that is not a Defaulting Lender may have against such Defaulting Lender.

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 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 audited combined balance sheet of Viacom and its Consolidated Subsidiaries as at December 31, 2009, and the related audited combined statements of earnings, stockholders' equity and comprehensive income (loss) and cash flows of Viacom and its Consolidated Subsidiaries for the fiscal year ended on such date, with the opinion thereon of PricewaterhouseCoopers LLP, heretofore furnished to each of the Lenders (or made available to the Lenders through access to a web site, including, without limitation, www.sec.gov), 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. The unaudited combined balance sheet of Viacom and its

Consolidated Subsidiaries as at June 30, 2010, and the related unaudited combined statements of earnings and cash flows of Viacom and its Consolidated Subsidiaries for the six-month period then ended, heretofore furnished to each of the Lenders (or made available to the Lenders through access to a web site, including, without limitation, www.sec.gov), fairly present (subject to normal year-end audit adjustments) the consolidated financial condition of Viacom and its Consolidated Subsidiaries as at such date and the consolidated results of their operations for the six-month period ended on such date in accordance with GAAP. Neither Viacom nor any of its Material Subsidiaries had on June 30, 2010 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, the Annual Report of Viacom on Form 10-K for the year ended December 31, 2009 and Quarterly Reports on Form 10-Q and Reports on Form 8-K of Viacom filed with or furnished to the SEC subsequent to December 31, 2009, but before the Closing Date, in each case, as amended or supplemented before the Closing Date.

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.* 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 Subsidiaries set forth in the Annual Report of Viacom on Form 10-K for the year ended December 31, 2009, is complete and correct in all material respects with respect to Material Subsidiaries as of the date such Form 10-K was filed.

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.

(b) *Closing Certificate.* The Administrative Agent shall have received a Closing Certificate, substantially in the form of Exhibit E, of Viacom, dated the Effective Date, with appropriate insertions and attachments.

(c) *Termination of Existing Credit Agreement.* The Existing Credit Agreement shall have been terminated and all amounts outstanding thereunder shall have been repaid or shall be repaid simultaneously with the occurrence of the Effective Date with the proceeds of the Loans hereunder.

(d) *Opinion of Counsel.* The Administrative Agent shall have received an opinion of the general counsel of Viacom, dated the Effective Date, in form and substance satisfactory to the Administrative Agent and customary for transactions of this type.

Upon satisfaction of each of the conditions set forth in this Section 4.1, Viacom and the Administrative Agent shall execute a certificate of effectiveness in the form attached hereto as Exhibit I confirming such satisfaction and confirming the Effective Date and, thereafter, the Administrative Agent shall promptly notify the Lenders in writing of the Effective Date, and such notice shall be conclusive and binding.

Section 4.2. *Initial Loans to Subsidiary Borrowers.* The obligations of the Lenders or Issuing Lenders, as the case may be, to make the initial extension of credit hereunder (whether in the form of a Loan or the issuance of a Letter of Credit) to a particular Subsidiary Borrower, if designated as such on or after the Effective 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 no less than five (5) Business Days prior to the effective date of such designation 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, (iii) one or more executed legal opinions with respect to such Subsidiary Borrower, in form and substance reasonably satisfactory to the Administrative Agent, and (iv) such reasonable documentation and other information required by bank regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including without limitation the Patriot Act, to the extent reasonably requested by the Administrative Agent or any Lender.

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) with respect to Revolving Credit Loans, (A) the Outstanding Revolving Extensions of Credit of each Lender shall not exceed such Lender's Commitment then in effect and (B) the Total Facility Exposure shall not exceed the Total Commitment then in effect, and (ii) with respect to Multi-Currency Revolving Loans, (A) the outstanding Multi-Currency Revolving Loans in a particular Multi-Currency shall not exceed the Multi-Currency Sublimit for such currency and (B) 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 earnings 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 earnings 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 the PBGC by Viacom or an ERISA Affiliate with respect to such event or condition):

(i) any reportable event, as defined in Section 4043(c) of ERISA and the regulations issued thereunder, with respect to a Plan, as to which the 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 standards of Section 412 or 430 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(c) of the Code or Section 302(c) of ERISA;

(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 the PBGC of proceedings under Section 4042(a) of ERISA for the termination of, or the appointment of a trustee under Section 4042(b) of ERISA 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 the 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 430(k) 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) 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) 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;

(b) 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;

(c) Viacom may merge or consolidate with or into any other Person 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;

(d) 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

(e) 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 Effective 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 any dividend (including 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 under this Agreement;

(d) Indebtedness outstanding on the Closing Date and set forth on Schedule 5.6;

(e) any replacement, renewal, refinancing or extension of any Indebtedness permitted by Section 5.6(a) through (c) 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

(f) Indebtedness incurred after the Closing Date; *provided*, that after giving effect thereto the aggregate principal amount of Indebtedness incurred pursuant to this paragraph (f) that is outstanding on such date (it being understood that, for the purposes of this paragraph (f), the term “*Indebtedness*” does not include Indebtedness excepted by any of clauses (a) through (e) 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; *provided*, that prior to the delivery of any such financial statements, Consolidated Tangible Assets shall be measured by reference to the most recent financial statements referred to in Section 3.3) 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 Effective 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 in respect of Viacom or any of its Material Subsidiaries, 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 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 the PBGC (or any combination of the foregoing) which would constitute a Material Adverse Effect; or

(j) the guarantee by Viacom contained in Section 8.1 shall cease, for any reason, to be in full force and effect or Viacom 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 and Issuing Lenders all payments of principal of and interest on the Loans and the LC Disbursements and all other amounts due to the Lenders and the 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. None of the Agents or the Borrowers shall be subject to any fiduciary or other implied duties, regardless of whether a Default or an Event of Default has occurred and is continuing, and no provision in the Loan Documents and no course of dealing between the parties hereto shall be deemed to create any fiduciary duty owing to any Agent, any Lender, any Borrower or any Subsidiary, or any of their respective Affiliates, by any party hereto. 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.

None of the Documentation Agents, the Syndication Agents, the Joint Lead Arrangers, the Joint Bookrunners or any managing agent shall have any duties, liabilities or responsibilities hereunder in its capacity as such.

ARTICLE VIII

VIACOM GUARANTEE

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.

(b) *No Subrogation, etc.* Notwithstanding any payment or payments made by Viacom hereunder, or any setoff 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 J.P. Morgan Europe Limited, 125 London Wall, London, England EC2Y 5AJ, United Kingdom, in the relevant Foreign Currency and in immediately available funds.

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 Treasurer (Telecopy No. (212) 258-6636), with a copy to General Counsel (Telecopy No. (212) 258-6099):

(b) if to the Administrative Agent, to it at JPMorgan Chase Bank, N.A., 383 Madison Avenue, New York, New York 10179, Attention: Tina Ruyter (Telecopy No. (212) 270-5127), with a copy to (i) JPMorgan Chase Bank, N.A., Loan and Agency Services, 1111 Fannin Street, 10th Floor, Houston, Texas 77002, Attention: MaryAnn Bui (Telecopy No. (713) 750-2358) and (ii) if such notice or other communication relates to a Multi-Currency Revolving Loan (including any Revolving Credit Borrowing Request for a Multi-Currency Revolving Loan), J.P. Morgan Europe Limited, 125 London Wall, London, England EC2Y 5AJ, United Kingdom, Attention: Claire Johnson (Telecopy No. 011-44-207-777-2360);

(c) if to any Issuing Lender, to it at the address for notices specified in the applicable Issuing Lender Agreement;

(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 or New Lender Supplement (as the case may be) 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 Borrower Request.

Notwithstanding the foregoing, each of Viacom, any other Borrower, the Administrative Agent, any Issuing Lender and any 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 (except that, if not received during normal business hours for the recipient, the next Business Day for the recipient), (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. Any party hereto may change its address or telecopy number for notices and other communications hereunder by written notice to the Borrowers and the Administrative Agent.

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, the Administrative Agent and each Issuing Lender 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) (or such lesser amount as may be agreed by the Administrative Agent) 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 the \$10,000,000 (or, if applicable, the Dollar Equivalent thereof) (or such lesser amount as may be agreed by the Administrative Agent), 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, the Administrative Agent and each Issuing Lender 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, the Agents or any Issuing Lender 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, financial institutions 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, in each case to the extent the relevant participant is directly affected thereby). Each Lender that sells a participation shall, acting solely for this purpose as an agent of the Borrower, maintain a register on which it enters the name and address of each participant and the principal amounts (and stated interest) of each participant's interest in the Loans or other obligations under this Agreement (the "*Participant Register*"). The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary.

(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, the Administrative Agent or any Issuing Lender; *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 Lender (a "*Granting Bank*") may grant to a special purpose funding vehicle (an "*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, the Administrative Agent and the Issuing Lenders 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, the Administrative Agent and each Issuing Lender) 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 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(a) or (c) 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 J.P. Morgan Securities LLC, in its capacity as a Joint Lead Arranger and in its capacity as a Joint 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 Cravath, Swaine & Moore LLP, counsel for J.P. Morgan Securities LLC, in its capacity as a Joint Lead Arranger and in its capacity as a Joint 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 which an Indemnified Person becomes subject 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 (subject to Section 2.24(ii) with respect to any Defaulting Lender); *provided, however*, that no such agreement shall (i) reduce the amount or extend the scheduled date of maturity of any Loan, 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 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 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) amend, modify or waive Section 2.17(a) in a manner that would alter the *pro rata* allocation of payments required thereby without the prior written consent of all the Lenders; (iv) amend, modify or waive the condition precedent set forth in Section 4.1(c) without the prior written consent of all the Lenders; or (v) 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, the Subsidiary Borrower Requests and the Administrative Agent Fee Letter) 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 exclusive 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 or any affiliate of 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.

Section 9.17. *Termination of Subsidiary Borrower Designation.* 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 9.18. *Patriot Act Notice.* Each Lender and each Agent (for itself and not on behalf of any other party) hereby notifies the Borrowers that, pursuant to the requirements of the USA Patriot Act, Title III of Pub. L. 107-56, signed into law October 26, 2001 (the “*Patriot Act*”), it is required to obtain, verify and record information that identifies the Borrowers, which information includes the name and address of the Borrowers and other information that will allow such Lender or such Agent, as applicable, to identify the Borrowers in accordance with the Patriot Act.

Section 9.19. *No Fiduciary Relationship.* Viacom, on behalf of itself, the Subsidiary Borrowers and its other Subsidiaries, agrees that in connection with all aspects of the transactions contemplated hereby and any communications in connection therewith, the Borrowers, the Subsidiaries and their Affiliates, on the one hand, and the Agents, the Lenders, the Issuing Lenders and their Affiliates, on the other hand, will have a business relationship that does not create, by implication or otherwise, any fiduciary duty on the part of the Agents, the Lenders, the Issuing Lenders or their Affiliates, and no such duty will be deemed to have arisen in connection with any such transactions or communications.

Section 9.20. *Non-Public Information.* (a) Each Lender acknowledges that all information, including requests for waivers and amendments, furnished by any Borrower or the Administrative Agent pursuant to or in connection with, or in the course of administering, this Agreement will be syndicate-level information, which may contain MNPI. Each Lender represents to each Borrower and the Administrative Agent that (i) it has developed compliance procedures regarding the use of MNPI and that it will handle MNPI in accordance with such procedures and applicable law, including Federal, state and foreign securities laws, and (ii) it has identified in its Administrative Questionnaire a credit contact who may receive information that may contain MNPI in accordance with its compliance procedures and applicable law, including Federal, state and foreign securities laws.

(b) Each Borrower and each Lender acknowledges that, if information furnished by any Borrower pursuant to or in connection with this Agreement is being distributed by the Administrative Agent through IntraLinks/IntraAgency, SyndTrak or another website or other information platform (the “*Platform*”), the Administrative Agent shall only post information furnished by any Borrower pursuant to or in connection with this Agreement on that portion of the Platform as is designated for representatives of Lenders that are willing to receive MNPI unless such Borrower has indicated such information does not contain MNPI.

(c) Upon request by the Administrative Agent, each Borrower agrees to specify whether any information furnished by such Borrower to the Administrative Agent pursuant to, or in connection with, this Agreement contains MNPI.

[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/ George S. Nelson

Name: George S. (Toby) Nelson

Title: Senior Vice President and Treasurer

[Signature Page to the Viacom Inc. Credit Agreement]

JPMORGAN CHASE BANK, N.A., as
Administrative Agent for the Lenders and as
a Lender

by

/s/ Tina Ruyter

Name: Tina Ruyter

Title: Executive Director

[Signature Page to the Viacom Inc. Credit Agreement]

CITIBANK, N.A., as Syndication Agent as a Lender

by

/s/ Elizabeth Minnella Gonzalez

Name: Elizabeth Minnella Gonzalez

Title: VP and Director

[Signature Page to the Viacom Inc. Credit Agreement]

Name of Institution:

Bank of America, N.A.

by

/s/ Jay D. Marquis

Name: Jay D. Marquis

Title: Senior Vice President

[Signature Page to the Viacom Inc. Credit Agreement]

DEUTSCHE BANK SECURITIES INC., as Co-Documentation
Agent:

by
/s/ Andreas Neumeier
Name: Andreas Neumeier
Title: Managing Director

by
/s/ Yvonne Tilden
Name: Yvonne Tilden
Title: Director

DEUTSCHE BANK AG NEW YORK BRANCH, as a lender:

by
/s/ Andreas Neumeier
Name: Andreas Neumeier
Title: Managing Director

by
/s/ Yvonne Tilden
Name: Yvonne Tilden
Title: Director

[Signature Page to the Viacom Inc. Credit Agreement]

Name of Institution:

The Royal Bank of Scotland plc

by

/s/ Alex Daw

Name: Alex Daw

Title: Director

[Signature Page to the Viacom Inc. Credit Agreement]

Name of Institution: Wells Fargo Bank, National Association

by

/s/ Eric Frandson

Name: Eric Frandson

Title: Director

[Signature Page to the Viacom Inc. Credit Agreement]

Name of Institution: BNP PARIBAS

by

/s/ Nuala Marley

Name: Nuala MARLEY

Title: Managing Director

For any Lender requiring a second signature block:

by

/s/ Gregory R. Paul

Name: Gregory R. PAUL

Title: Managing Director

[Signature Page to the Viacom Inc. Credit Agreement]

Name of Institution: Mizuho Corporate Bank, Ltd.

by

/s/ Bertram H. Tang

Name: Bertram H. Tang

Title: Authorized Signatory

[Signature Page to the Viacom Inc. Credit Agreement]

Sumitomo Mitsui Banking Corporation:

by

/s/ William M. Ginn

Name: William M. Ginn

Title: Executive Officer

For any Lender requiring a second signature block:

by

Name:

Title:

[Signature Page to the Viacom Inc. Credit Agreement]

Name of Institution: INTESA SANPAOLO S.p.A. New York

by

/s/ John Michalisin

Name: John Michalisin

Title: First Vice President

For any Lender requiring a second signature block:

by

/s/ Franco Di Mario

Name: Franco Di Mario

Title: FVP & Credit Manager

[Signature Page to the Viacom Inc. Credit Agreement]

Name of Institution: Lloyds TSB Bank plc

by
/s/ Deborah Carlson

Name: Deborah Carlson
Title: Senior Vice President

For any Lender requiring a second signature block:

by
/s/ Russell Protti

Name: Russell Protti
Title: Senior Vice President

[Signature Page to the Viacom Inc. Credit Agreement]

Name of Institution: MORGAN STANLEY BANK, N.A.

by

/s/ Sherrese Clarke

Name: Sherrese Clarke

Title: Authorized Signatory

[Signature Page to the Viacom Inc. Credit Agreement]

The Bank of Tokyo-Mitsubishi UFJ, LTD

by

/s/ Lillian Kim

Name: Lillian Kim

Title: Authorized Signatory

For any Lender requiring a second signature block:

by

Name:

Title:

[Signature Page to the Viacom Inc. Credit Agreement]

Name of Institution: UBS Loan Finance LLC

by

/s/ Irja R. Otsa

Name: Irja R. Otsa

Title: Associate Director

For any Lender requiring a second signature block:

by

/s/ Mary E. Evans

Name: Mary E. Evans

Title: Associate Director

[Signature Page to the Viacom Inc. Credit Agreement]

THE BANK OF NEW YORK MELLON

by

/s/ Thomas J. Tarasovich, Jr.

Name: Thomas J. Tarasovich, Jr.

Title: Vice President

[Signature Page to the Viacom Inc. Credit Agreement]

Name of Institution: THE NORTHERN TRUST COMPANY

by

/s/ Daniel J. Boote

Name: Daniel J. Boote

Title: Senior Vice President

[Signature Page to the Viacom Inc. Credit Agreement]

U.S. Bank, National Association

by

/s/ Colleen McEvoy

Name: Colleen McEvoy

Title: Vice President

[Signature Page to the Viacom Inc. Credit Agreement]

**AMENDMENT TO THE
VIACOM EXCESS PENSION PLAN**

Effective as of March 31, 2009, the Preamble of the Plan is amended to add a new subsection (d) to read as follows:

- (d) Effective as of March 31, 2009, there will be no additional accrual of benefits under the Plan.

AMENDMENT TO THE
VIACOM EXCESS 401(K) PLAN FOR DESIGNATED SENIOR EXECUTIVES

Effective as of April 1, 2009, the Plan shall be amended as follows:

1. Section 4 is amended by inserting the language underscored below:

Section 4. Employer Match and Vesting.

4.1 Employer Match. An Employer Match will be credited approximately every two weeks to a Participant's Ongoing Account with respect to the eligible portion of Excess Salary Reduction Contributions of such Participant. The eligible portion of a Participant's Excess Salary Reduction Contributions shall be limited to 5% (6% effective as of April 1, 2009) of Compensation contributed each pay period. In general, the portion of a Participant's Excess Salary Reduction Contributions eligible for a match shall be based on Compensation up to an annual maximum amount of \$750,000 (\$500,000, effective as of April 1, 2009). However, special limits on annual Compensation are set out in Appendix A.

2. A new section 4.2 is added to read as follows:

4.2 Vesting. An Employee shall become vested in the Employer Match according to the vesting schedule set forth in the Viacom 401(k) Plan.

3. Section 5.3 is amended by inserting the language underscored below and replacing the term Matching Employer Contributions with the term Employer Match wherever it appears:

5.3 Investments.

(a) All Excess Salary Reduction Contributions and all Employer Match credited on and after April 1, 2009 will be credited through December 31 of the calendar year in which the Participant Separates from Service with an amount equal to such amount which would have been earned had such contributions been invested in the same Investment Options and in the same proportion as the Participant may elect, from time to time, to have his Salary Reduction Contributions invested under the Viacom 401(k) Plan; or if no such election has been made, in the Viacom 401(k) Plan fund designated by the Committee. All Employer Match credited prior to April 1, 2009 will be credited through December 31 of the calendar year in which the Participant Separates from Service with an amount equal to such amount that would have been earned

had such contributions been invested in the Viacom Company Stock Fund in the Viacom 401(k) Plan unless the Participant has transferred any portion of that account to another Investment Option.

4. Appendix A is amended by inserting the language underscored below:

Appendix A – Special Limits on Annual Compensation

Notwithstanding the provisions of Section 4 of the Plan, the following special limits on annual Compensation shall apply to Employees who became Participants in the Plan on January 1, 2006:

- Prior to April 1, 2009, for Employees eligible as of December 31, 1995 under the Old Viacom Excess 401(k) Plan and whose base salary plus bonus as of December 31, 1995 exceeded \$750,000, the maximum annual Compensation for the 1996 Plan Year and each subsequent Plan Year on which the Employer Match will be based shall be the Employee's base salary plus bonus as of December 31, 1995. Effective as of April 1, 2009, the maximum annual Compensation on which the Employer Match will be based shall be limited to \$500,000.
- For an active full-time Employee who is a Participant and who is also a full-time employee of CBS Corporation or a member of its controlled group and a participant in the Old Viacom 401(k) Plan and the Old Viacom Excess 401(k) Plan or the Old Viacom Excess 401(k) Plan for Designated Senior Executives on and after January 1, 2006, the maximum annual Compensation for the 2006 Plan Year and each subsequent Plan Year on which the Employer Match will be based shall be \$375,000.

AMENDMENT TO THE
VIACOM EXCESS 401(K) PLAN FOR DESIGNATED SENIOR EXECUTIVES

Effective as of December 31, 2009, the Plan shall be amended as follows:

1. Section 4.1 is amended by inserting the language underscored below:

4.1 Employer Match.

(a) An Employer Match will be credited approximately every two weeks to a Participant's Ongoing Account with respect to the eligible portion of Excess Salary Reduction Contributions of such Participant. The eligible portion of a Participant's Excess Salary Reduction Contributions shall be limited to 5% (6% effective as of April 1, 2009) of Compensation contributed each pay period. In general, the portion of a Participant's Excess Salary Reduction Contributions eligible for a match shall be based on Compensation up to an annual maximum amount of \$750,000 (\$500,000, effective as of April 1, 2009). However, special limits on annual Compensation are set out in Appendix A.

(b) An additional Employer Match will be credited to the account of each Participant who is an Eligible Employee on December 31, 2009 and who has an election in 2009 to contribute between 1% and 5% of Compensation to the Plan. The amount of the Employer Match to be credited shall be equal to .5% of Compensation contributed to the Plan by such Participant from April 1, 2009 through December 31, 2009.

**AMENDMENT TO THE
VIACOM BONUS DEFERRAL PLAN FOR DESIGNATED SENIOR EXECUTIVES**

Effective as of December 31, 2009, the Plan shall be amended as follows:

1. Section 4.1 is amended by inserting the language underscored below:

(b) For a Plan Year beginning prior to January 1, 2008 in which an employee first becomes an Eligible Employee, such Eligible Employee must elect to make a Bonus Deferral Contribution with respect to any Bonus scheduled to be paid in the next succeeding calendar year within 30 days of the date he first becomes an Eligible Employee in order for the election to be valid. For years beginning January 1, 2008 and January 1, 2009, prior to January 1 of each such Plan Year, an Eligible Employee may elect to make a Bonus Deferral Contribution with respect to any Bonus scheduled to be paid in the second succeeding calendar year. For the year beginning January 1, 2010, prior to January 1, 2010, an Eligible Employee may elect to make a Bonus Deferral Contribution with respect to any Bonus scheduled to be paid no later than December 15, 2010. For a fiscal year of the Company beginning on and after October 1, 2010, an Eligible Employee may elect to make a Bonus Deferral Contribution prior to the first day of such fiscal year with respect to any Bonus for the performance period of the Company's fiscal year scheduled to be paid no later than December 15 of the next succeeding fiscal year.

For example, prior to January 1, 2009, an Eligible Employee may make a Bonus Deferral Contribution election with respect to any Bonus to be earned in 2009 that is scheduled to be paid in 2010. Prior to January 1, 2010, an Eligible Employee may make a Bonus Deferral Contribution election with respect to any Bonus for the performance period from January 1, 2010 through September 30, 2010. Prior to October 1, 2010, an Eligible Employee may make a Bonus Deferral Contribution election with respect to any Bonus for the performance period from October 1, 2010 through September 30, 2011 scheduled to be paid no later than December 15, 2011. An Eligible Employee may make an Excess Bonus Deferral Contribution election whether or not such employee previously has made, or currently has in effect, any Excess Salary Reduction Contribution election.

July 1, 2010

Denise White
c/o Viacom Inc.
1515 Broadway
New York, NY 10036

Dear Ms. White:

Viacom Inc. (the "Company"), with an address of 1515 Broadway, New York, NY 10036, agrees to employ you, and you accept such employment, on the terms and conditions set forth in this letter agreement ("Agreement"). For purposes of this Agreement, "Viacom" shall mean Viacom Inc. and its subsidiaries.

1. Contract Period. The term of your employment under this Agreement shall begin on July 1, 2010 (the "Effective Date") and, unless terminated earlier as set forth herein, shall continue through and including September 30, 2013. The period from the Effective Date through September 30, 2013 is referred to as the "Contract Period", even if your employment terminates earlier for any reason.

2. Duties. You shall devote your entire business time, attention and energies to the business of the Company during your employment with the Company; provided, however, that nothing in this Agreement shall preclude you from serving as a member of the board of directors of any for-profit entity with prior approval from the Company's Chief Executive Officer ("CEO") or of any charitable, educational, religious, entertainment industry trade, public interest or public service organization, in each instance not inconsistent with the business practices and policies of the Company, and provided further that such activities do not interfere with the performance of your duties and responsibilities hereunder. You shall be Executive Vice President, Human Resources and Administration of the Company, and you shall perform all duties reasonable and consistent with such office as may be assigned to you from time to time by the Company's Chief Operating Officer ("COO"), or other individual designated by the CEO; provided, however, that, without your consent, you shall not be required to report directly to any employee other than the COO or CEO. You shall be responsible for all human resources, security and real estate affairs of the Company.

3. Compensation.

(a) Salary. The Company shall pay you base salary (as may be increased, "Salary") at a rate of Eight Hundred Fifty Thousand Dollars (\$850,000) per year for all of your services as an employee. Your Salary shall be subject to annual merit reviews, on or about July 1 of each year, while actively employed during the Contract Period and may, at that time, be increased but not decreased. Your Salary, less deductions and income and payroll tax withholding as may be required under applicable law, shall be payable in accordance with the Company's ordinary payroll policy, but no less frequently than monthly.

(b) Bonus. You also shall be eligible to earn a bonus ("Bonus") or a Pro-Rated Bonus (as defined in paragraph 19(e)(ii)), as applicable, with respect to each Company fiscal year or portion thereof that you are employed during the Contract Period, determined as set forth below.

- (i) Your Bonus for each Company fiscal year, regardless of whether such fiscal year is a 12-month period or a shorter period of time, shall be determined in accordance with the Viacom Inc. Senior Executive Short-Term Incentive Plan as it may be amended from time to time (the "STIP").
- (ii) Your target Bonus for the 2010 Company fiscal year and each year during the Contract Period shall be 100% of your Salary (your "Target Bonus") and shall be adjusted based on the Company's performance (the "Company Performance Factor") and your individual performance (the "Individual Performance Factor"), in each case as determined by the Company and as further provided in the STIP.

(c) Long-Term Incentive Compensation. During your employment under this Agreement, you shall be eligible to receive annual grants of long-term compensation under the Viacom Inc. 2006 Long-Term Management Incentive Plan, or any successor plan, as determined by the Viacom Inc. Board of Directors (the "Board") or a committee of the Board, in its discretion, based on a target value of Eight Hundred Thousand Dollars (\$800,000), reasonably determined and modified by the CEO and, as required, the Board or a committee of the Board.

(d) Compensation During Short-Term Disability. Your compensation for any period that you are absent due to a short-term disability ("STD") and are receiving compensation under a Viacom STD plan shall be determined in accordance with the terms of such STD plan. The compensation provided to you under the applicable STD plan shall be in lieu of the Salary provided under this Agreement. Your participation in any other Viacom benefit plans or programs shall be governed by the terms of the applicable plan or program documents, award agreements and certificates.

4. Benefits. During your employment under this Agreement, you shall be eligible to participate in any vacation programs, medical and dental plans and life insurance plans, STD and long-term disability ("LTD") plans, retirement and other employee benefit plans the Company may have, establish or maintain from time to time and for which you qualify pursuant to the terms of the applicable plan.

5. Business Expenses. During your employment under this Agreement, the Company shall reimburse you for such reasonable travel and other expenses, incurred in the performance of your duties in accordance with the Company's policies, as are customarily reimbursed to Company executives at comparable levels.

6. Non-Competition and Non-Solicitation.

(a) Non-Competition.

- (i) Your employment with the Company is on an exclusive and full-time basis, and while you are employed by the Company, you shall not engage in any other business activity which is in conflict with your duties and obligations (including your commitment of time) to the Company. During the Non-Competition Period, you shall not directly or indirectly engage in or participate as an owner, partner, holder or beneficiary of stock, stock options or other equity interest, officer, employee, director, manager, partner or agent of, or consultant for, any business competitive with any business of Viacom without the prior written consent of the Company. This provision shall not limit your right to own and have options or

other rights to purchase not more than one percent (1%) of any of the debt or equity securities of any business organization that is then filing reports with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, unless such ownership constitutes a significant portion of your net worth.

(ii) The "Non-Competition Period" begins on the Effective Date and ends on the last day of the Contract Period, provided that:

1. If the Company terminates your employment without Cause or if you validly resign for Good Reason before the end of the Contract Period, then the Non-Competition Period shall end on the earlier of (i) the end of the period in which you are receiving payments pursuant to paragraph 11(c)(i) or (ii) the effective date of your waiver in writing of any right to receive or continue to receive compensation and benefits under paragraph 11. You shall be deemed to have irrevocably provided such waiver if you accept competing employment.
2. If the Company terminates your employment for Cause or you resign other than for Good Reason, the Non-Competition Period shall end on the earlier of (i) the last day of the Contract Period or (ii) eighteen (18) months after such termination or resignation.

(b) Non-Solicitation.

(i) During the Non-Solicitation Period, you shall not directly or indirectly engage or attempt to engage in any of the following acts:

1. Employ or solicit the employment of any person who is then, or has been within six (6) months prior thereto, an employee of Viacom;
or
2. Interfere with, disturb or interrupt the relationships (whether or not such relationships have been reduced to formal contracts) of Viacom with any customer, supplier, independent contractor, consultant, joint venture or other business partner (to the extent each of the limitations in this paragraph 6(b)(i)(2) is permitted by applicable law).

(ii) The "Non-Solicitation Period" begins on the Effective Date and ends on the last day of the Contract Period, or, if longer, eighteen (18) months after the Company terminates your employment for Cause or you resign other than for Good Reason.

(c) Severability. If any court determines that any portion of this Section 6 is invalid or unenforceable, the remainder of this Section 6 shall not thereby be affected and shall be given full effect without regard to the invalid provisions. If any court construes any of the provisions of this Section 6, or any part thereof, to be unreasonable because of the duration or scope of such provision, such court shall have the power to reduce the duration or scope of such provision and to enforce such provision as so reduced.

7. Confidentiality and Other Obligations.

(a) Confidential Information. You shall not use for any purpose or disclose to any third party any information relating to Viacom, Viacom's clients or other parties with which Viacom has a relationship, or that may provide Viacom with a competitive advantage ("Confidential Information"), other than (i) in the performance of your duties under this Agreement consistent with the Company's or Viacom's policies or (ii) as may otherwise be required by law or legal process. Confidential Information shall include, without limitation, trade secrets; inventions (whether or not patentable); technology and business processes; business, product or marketing plans; negotiating strategies; sales and other forecasts; financial information; client lists or other intellectual property; information relating to compensation and benefits; public information that becomes proprietary as a result of Viacom's compilation of that information for use in its business; documents (including any electronic record, videotapes or audiotapes) and oral communications incorporating Confidential Information. You shall also comply with any and all confidentiality obligations of Viacom to a third party of which you are aware, whether arising under a written agreement or otherwise. Information shall not be deemed Confidential Information if it is or becomes generally available to the public other than as a result of an unauthorized disclosure or action by you or at your direction.

(b) Interviews, Speeches or Writings About Viacom. Except in the performance of your duties under this Agreement consistent with Viacom's policies, you shall obtain the express authorization of the Company before (i) giving any speeches or interviews or (ii) preparing or assisting any person or entity in the preparation of any books, articles, radio broadcasts, electronic communications, television or motion picture productions or other creations, in either case concerning Viacom or any of its respective businesses, officers, directors, agents, employees, suppliers or customers.

(c) Non-Disparagement. You shall not, directly or indirectly, in any communications with any reporter, author, producer or any similar person or entity, the press or other media, or any customer, client or supplier of Viacom, criticize, ridicule or make any statement which is negative, disparages or is derogatory of Viacom or any of its directors or senior officers.

(d) Scope and Duration. The provisions of paragraph 7(a) shall be in effect during the Contract Period and at all times thereafter. The provisions of paragraphs 7(b) and 7(c) shall be in effect during the Contract Period and for one (1) year thereafter and such provisions shall apply to all formats and platforms now known or hereafter developed, whether written, printed, oral or electronic, including, without limitation, e-mails, "blogs", internet sites, chat or news rooms, podcasts or any online forum.

8. Viacom Property.

(a) Viacom Ownership.

- (i) The results and proceeds of your services to the Company, whether or not created during the Contract Period, including, without limitation, any works of authorship resulting from your services 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, with the right to use, license or dispose of the works in perpetuity in any manner Viacom determines in its sole discretion without any further payment to you, whether such rights and means of use are now known or hereafter defined or discovered.
- (ii) If, for any reason, any of the results and proceeds of your services to the Company 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 this paragraph 8(a), then you hereby irrevocably 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, and Viacom shall have the sole right to use, license or dispose of the work in perpetuity throughout the universe in any manner Viacom determines in its sole discretion without any further payment to you, whether such rights and means of use are now known or hereafter defined or discovered.
- (iii) Upon request by the Company, whether or not during the Contract Period, you shall do any and all things which the Company may deem useful or desirable to establish or document Viacom's rights in the results and proceeds of your services to the Company, including, without limitation, the execution of appropriate copyright, trademark and/or patent applications, assignments or similar documents. You hereby irrevocably designate the General Counsel, Secretary or any Assistant Secretary of Viacom Inc. as your attorney-in-fact with the power to take such action and execute such documents on your behalf. To the extent you have any rights in such results and proceeds that cannot be assigned as described above, you unconditionally and irrevocably waive the enforcement of such rights.
- (iv) The provisions of this paragraph 8(a) do not limit, restrict, or constitute a waiver by Viacom of any ownership rights to which Viacom may be entitled by operation of law by virtue of being your employer.
- (v) You and the Company acknowledge and understand that the provisions of this paragraph 8 requiring assignment of inventions to Viacom do not apply to any invention which qualifies fully under the provisions of California Labor Code Section 2870, to the extent that such provision applies to you. You agree to advise the Company promptly in writing of any inventions that you believe meet the criteria in California Labor Code Section 2870.

(b) 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 the Company shall remain the exclusive property of Viacom and shall remain in Viacom's exclusive possession at the conclusion of your employment.

9. Legal Matters.

(a) Communication. Except as required by law or legal process or at the request of the Company, you shall not communicate with anyone (other than your attorneys who agree to keep such matters confidential), except to the extent necessary in the performance of your duties under this Agreement in accordance with Viacom Inc.'s policies, with respect to the facts or subject matter of any claim, litigation, regulatory or administrative proceeding directly or indirectly involving Viacom ("Viacom Legal Matter") without obtaining the prior consent of Viacom Inc. or its counsel.

(b) Cooperation. You agree to cooperate with Viacom and its attorneys in connection with any Viacom Legal Matter. Your cooperation shall include, without limitation, providing assistance to and meeting with Viacom's counsel, experts or consultants, and providing truthful testimony in pretrial and trial or hearing proceedings. In the event that your cooperation is requested after the termination of your employment, Viacom shall (i) seek to minimize interruptions to your schedule to the extent consistent with its interests in the matter; and (ii) reimburse you for all reasonable and appropriate out-of-pocket expenses actually incurred by you in connection with such cooperation upon reasonable substantiation of such expenses.

(c) Testimony. Except as required by law or legal process or at the request of Viacom Inc., you shall not testify in any lawsuit or other proceeding which directly or indirectly involves Viacom, or which is reasonably likely to create the impression that such testimony is endorsed or approved by Viacom.

(d) Notice to Viacom. If you are requested or if you receive legal process requiring you to provide testimony, information or documents (including electronic documents) in any Viacom Legal Matter or that otherwise relates, directly or indirectly, to Viacom or any of its officers, directors, employees or affiliates, you shall give prompt notice of such event to Viacom Inc.'s General Counsel and you shall follow any lawful direction of Viacom Inc.'s General Counsel or his/her designee with respect to your response to such request or legal process.

(e) Adverse Party. The provisions of this paragraph 9 shall not apply to any litigation or other proceeding in which you are a party adverse to Viacom; provided, however, that Viacom expressly reserves its rights under paragraph 7 and its attorney-client and other privileges and immunities, including, without limitation, with respect to its documents and Confidential Information, except if expressly waived in writing by Viacom Inc.'s General Counsel or his/her designee.

(f) Duration. The provisions of this paragraph 9 shall apply during the Contract Period and at all times thereafter, and shall survive the termination of your employment with the Company, with respect to any Viacom Legal Matter arising out of or relating to the business in which you were engaged during your employment with the Company. As to all other Viacom Legal Matters, the provisions of this paragraph 9 shall apply during the Contract Period and for one year thereafter or, if longer, during the pendency of any Viacom Legal Matter which was commenced, or which Viacom received notice of, during such period.

10. Termination for Cause.

(a) Termination Payments. The Company may terminate your employment under this Agreement for Cause and thereafter shall have no further obligations to you under this Agreement or otherwise, except for any earned but unpaid Salary through and including the date of termination of employment and any other amounts or benefits required to be paid or provided by law or under any plan of the Company (the "Accrued Compensation and Benefits"). Without limiting the generality of the preceding sentence, upon termination of your employment for Cause, you shall have no further right to any Bonus or to exercise or redeem any stock options or other equity compensation.

(b) Cause Definition. "Cause" shall mean: (i) conduct constituting embezzlement, material misappropriation or fraud, whether or not related to your employment with the Company; (ii) conduct constituting a felony, whether or not related to your employment with the Company; (iii) conduct constituting a financial crime, material act of dishonesty or material unethical business conduct, involving Viacom; (iv) willful unauthorized disclosure or use of Confidential Information; (v) the failure to substantially obey a material lawful directive that is appropriate to your position from a superior in your reporting line or the Board; (vi) your material breach of any material obligation under this Agreement; (vii) the failure or refusal to substantially perform your material obligations under this Agreement (other than any such failure or refusal resulting from your STD or LTD); (viii) the willful failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, whether or not related to employment with the Company, after being instructed by Viacom to cooperate; (ix) the willful destruction of or willful failure to preserve documents or other material known to be relevant to any investigation referred to in subparagraph (viii) above; or (x) the willful inducement of others to engage in the conduct described in subparagraphs (i) – (ix), including, without limitation, with regard to subparagraph (vi), obligations of others to Viacom.

(c) Notice/Cure. The Company shall give you written notice prior to terminating your employment for Cause or, if no cure period is applicable, contemporaneous with termination of your employment for Cause, setting forth in reasonable detail the nature of any alleged failure, breach or refusal in reasonable detail and the conduct required to cure such breach, failure or refusal. 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; provided, however, that, if the Company reasonably expects irreparable injury from a delay of ten (10) business days, the Company may give you notice of such shorter period within which to cure as is reasonable under the circumstances, which may include the termination of your employment without notice and with immediate effect.

11. Resignation for Good Reason and Termination Without Cause.

(a) Resignation for Good Reason.

- (i) You may resign for Good Reason at any time that you are actively employed during the Contract Period by written notice to the Company no more than thirty (30) days after the occurrence of the event constituting Good Reason. Such notice shall state the grounds for such Good Reason resignation and an effective date no earlier than thirty (30) business days after the date it is given. The Company shall have thirty (30) 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.
- (ii) "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 death or LTD): (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; or (iii) the material breach by the Company of any material obligation under this Agreement.

(b) Termination Without Cause. The Company may terminate your employment under this Agreement without Cause at any time during the Contract Period by written notice to you.

(c) Termination Payments/Benefits. In the event that your employment terminates under paragraph 11(a) or (b), you shall thereafter receive the compensation and benefits described below and the following shall apply:

- (i) The Company shall continue to pay your Salary (at the rate in effect on the date of termination) at the same time and in the same manner as if you had not terminated employment for the longer of one (1) year or until the end of the Contract Period (subject to the limitation set forth in the next paragraph);
- (ii) You shall be eligible to receive a Bonus or Pro-Rated Bonus, as applicable, for each Company fiscal year or portion thereof during the Contract Period, calculated as provided in paragraph 19(e)(iii), provided that the total severance payment you receive pursuant to paragraphs 11(c)(i) and (ii) shall in no event exceed two times the sum of your Salary and Target Bonus in the year in which such termination occurs;
- (iii) The Company shall continue to provide you with life insurance coverage, at no premium cost to you (unless you had no coverage at the time of termination), until the end of the Contract Period or, if longer, the end of the period in which you are receiving payments pursuant to paragraph 11(c)(i), in accordance with the Company's then-current policy, as may be amended from time to time, and in the amount then furnished at no cost to other Company executives at comparable levels. Such coverage shall end in the event you are eligible to obtain life insurance coverage from another employer;
- (iv) All stock options granted to you under any Viacom Inc. long-term incentive plan that have not vested as of the date of your termination of employment, but that would have vested on or before the end of the Contract Period, shall become fully vested on the date of termination;
- (v) All restricted share units granted to you after January 1, 2007 under any Viacom Inc. long-term incentive plan that have not vested as of the date of your termination of employment, but that would have vested on or before the end of the Contract Period, shall become fully vested on the date of termination;
- (vi) There shall be no acceleration of the vesting of any equity or long-term incentive awards granted to you under any Viacom Inc. long-term incentive plan, unless otherwise provided herein or under the terms of the applicable long-term incentive plan; and
- (vii) The Company shall pay or continue to provide, as applicable, the Accrued Compensation and Benefits.

(d) Medical Benefits. In the event that your employment with the Company terminates pursuant to paragraph 11, 14 or 15 and provided that you validly elect continuation of your medical coverage under Section 4980B(f) of the Internal Revenue Code of 1986 (the "Code") (relating to coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA")), during the period commencing on the end of the statutory COBRA period, if any, until the earliest of the date that you (i) are eligible to participate in another medical benefit plan, including, without limitation, a medical benefit plan sponsored by a then current or former employer of yours or your spouse, that provides a level of coverage based on the levels of coverage under the health insurance exchange ("Exchange") under Section 1311(b) of the Patient Protection and Affordable Care Act ("PPACA") and as described in Section 1302(d) of PPACA, that is not less than the level of coverage provided under the Company's medical benefit plans and programs in which you were participating immediately prior to your termination of employment and that you elected to continue under COBRA, but such other medical benefit plan shall not mean "excepted benefits" as defined under ERISA § 733(c), (ii) are eligible to receive coverage through a "Gold Level" qualified health plan provided in the Exchange, or (iii) qualify for Medicare, your coverage and participation under the Company's medical benefit plans and programs in which you were participating immediately prior to your termination of employment and elected to continue under COBRA, shall continue at the Post Termination Medical Cost (as defined below). If your coverage and participation under the Company's medical benefit plans and programs continues upon your termination of employment as provided for in this section, and such coverage is terminated because you qualify for Medicare, you may elect to receive coverage provided by the Company that is reasonably comparable to the medical benefit plans and programs that are provided to the Company's Medicare-eligible retired employees who receive retiree medical coverage from the Company, and such coverage shall continue at the Post Termination Medical Cost (as defined below). You shall pay the full cost of the Post Termination Medical Cost on an after tax basis. The Post Termination Medical Cost shall mean (i) during the period that you receive medical benefit plan coverage under COBRA during the statutory COBRA period, the COBRA premium applicable to the coverage you elect and (ii) during the period commencing with the end of the statutory COBRA period, if any, the full cost of the medical benefit plan coverage provided to you, as determined in accordance with applicable Internal Revenue Service ("IRS") rules, guidance, or regulations, if any, or, if there are no IRS rules, guidance, or regulations regarding the determination of the cost of such medical benefit plan coverage, the full cost of the medical benefit plan coverage, as determined by an actuary chosen by the Company. The Company reserves the right to modify or eliminate the medical benefit plan at any time and the medical benefit plan shall be governed by the terms of the applicable plan documents.

(e) Release. Your entitlement to the payments and benefits described in this paragraph 11 is conditioned on your execution and delivery to the Company, within sixty (60) days after your termination of employment (the "Release Deadline"), of a release in substantially the form appended hereto as Appendix A that remains in effect and becomes irrevocable after the expiration of any statutory period in which you are permitted to revoke a release (the "Release"). If you fail to execute and deliver the Release by the Release Deadline, or if you thereafter effectively revoke the Release, the Company shall be under no obligation to make any further payments or provide any further benefits to you and any payments and benefits previously provided to you pursuant to this paragraph 11 shall not have been earned. In such event, you shall promptly repay the Company any payments made and the Company's direct cost for any benefits provided to you pursuant to this paragraph 11. The limitations of this paragraph shall not apply to the Accrued Compensation and Benefits.

(f) Offset. The amount of payments provided in paragraph 11 in respect of the period that begins twelve (12) months after the termination of your employment shall be reduced by any compensation for services earned by you (including as an independent consultant or independent contractor) from any source in respect of the period that begins twelve (12) months after the termination

of your employment and ends when the Company is no longer required to make payments pursuant to paragraph 11 (the "Offset Period"), including, without limitation, salary, sign-on or annual bonus, consulting fees, commission payments and any amounts the payment of which is deferred at your election, or with your consent, until after the expiration of the Offset Period; provided that, if the Company in its reasonable discretion determines that any grant of long-term compensation is made in substitution of the aforementioned payments, such payments shall be further reduced by the value on the date of grant, as reasonably determined by the Company, of such long-term compensation you receive. You agree to promptly notify the Company of any arrangements during the Offset Period in which you earn compensation for services and to cooperate fully with the Company in determining the amount of any such reduction.

12. Resignation in Breach of the Agreement. If you resign prior to the expiration of the Contract Period other than for Good Reason, such resignation shall be treated as a termination for Cause under paragraph 10. After such resignation, without limitation of other rights or remedies available to the Company, the Company shall have no further obligations to you under this Agreement or otherwise, except for any Accrued Compensation and Benefits.

13. Termination Due to Death.

(a) Death While Employed. In the event of your death prior to the end of the Contract Period while actively employed with the Company, this Agreement shall automatically terminate. Thereafter, your designated beneficiary (or, if there is no such beneficiary, your estate) shall receive (i) any Accrued Compensation and Benefits as of the date of your death and (ii) for the year in which death occurs, any Bonus or Pro-Rated Bonus, as applicable, which you would have been eligible to receive, calculated in accordance with paragraph 19(e)(iii). All tranches of the 30,000 restricted share units provided for in paragraph 3(d) of your employment agreement with the Company dated October 1, 2007 ("Sign-On RSUs") that are unvested shall become fully vested on the date of your death. In no event shall a distribution be made pursuant to clause (i) in the preceding sentence later than the 60th day following your death and a distribution pursuant to clause (ii) in the preceding sentence shall be made at the same time and in the same manner as if you were still actively employed with the Company.

(b) Death After the End of Employment. In the event of your death while you are entitled to receive compensation or benefits under paragraphs 11 or 15, in lieu of such payments your designated beneficiary (or, if there is no such beneficiary, your estate) shall receive, to the extent not previously paid to you, (i) continuation of Salary pursuant to the applicable paragraph through the date of death; (ii) if you were entitled to receive compensation or benefits under paragraph 11, for the year in which death occurs, any Bonus or Pro-Rated Bonus, as applicable, for the year in which death occurs, payable under such paragraph, calculated in accordance with paragraph 19(e)(iii); and (iii) any Accrued Compensation and Benefits. In no event shall a distribution be made pursuant to clauses (i) and (iii) in the preceding sentence later than the 60th day following your death and a distribution pursuant to clause (ii) in the preceding sentence shall be made at the same time and in the same manner as if you were still actively employed with the Company.

13. Long-Term Disability. In the event you are absent due to a LTD and you are receiving compensation under a Viacom LTD plan, then, effective on the date you begin receiving compensation under such plan, (i) this Agreement shall terminate without any further action required by the Company, (ii) you shall be considered an "at-will" employee of the Company, and (iii) you shall have no guarantee of specific future employment nor continuing employment generally when your receipt of compensation under a Viacom LTD plan ends, except as required by applicable law. In the event of such termination of this Agreement, (i) you shall receive any Accrued Compensation and Benefits, (ii) you shall receive for

the year in which such termination occurs, any Bonus or Pro-Rated Bonus, as applicable, which you would have been entitled to receive, calculated in accordance with paragraph 19(e)(iii) and (iii) all tranches of the Sign-On RSUs that are unvested shall become fully vested. Except as set forth in the previous sentence, the compensation provided to you under the applicable LTD plan shall be in lieu of any compensation from the Company (including, but not limited to, the Salary provided under this Agreement or otherwise). Your participation in any other Viacom benefit plans or programs shall be governed by the terms of the applicable plan or program documents, award agreements and certificates.

15. Non-Renewal. If the Company does not extend or renew this Agreement at the end of the Contract Period and you have not entered into a new contractual relationship with the Company or Viacom, your continuing employment, if any, with the Company or Viacom shall be "at-will" and may be terminated at any time by either party. If the Company or Viacom terminates your employment during the twelve (12) month period commencing with the last day of the Contract Period while you are an employee at-will, the Company shall continue to pay your Salary (at the rate in effect on the date of termination) at the same time and in the same manner as if you had not terminated employment for the balance, if any, of such twelve (12) month period; provided, however, that (i) you shall not be entitled to such Salary continuation if the Company terminates your employment for reasons constituting Cause and (ii) any such Salary continuation shall be subject to offset as set forth in paragraph 11(f) above, without giving effect to the twelve (12) month period referenced therein.

16. Severance Plan Adjustment. In the event that your employment with the Company terminates pursuant to paragraph 11 or 15, and, at the time of your termination of employment there is in effect a Viacom severance plan (a "Severance Plan") for which you would have been eligible to participate but for your having entered into this Agreement or being a Specified Employee and which provides for severance compensation that is greater than the amounts to which you are entitled under paragraphs 11(c)(i) and 11(c)(ii) or paragraph 15, then the amounts, but not the time or form of payment, of your severance compensation under this Agreement shall automatically be adjusted to equal those that would have been provided to you under the Severance Plan. For the avoidance of doubt, any payment entitlement pursuant to this paragraph 16 is in lieu of, and not in addition to, any severance compensation to which you may otherwise be entitled under this Agreement. Notwithstanding any adjustment to the amount of your entitlements pursuant to this paragraph 16, all other provisions of this Agreement shall remain in effect, including, without limitation, paragraphs 6, 7, 8 and 9.

17. Further Events on Termination of Employment.

(a) Termination of Benefits. Except as otherwise expressly provided in this Agreement, your participation in all Viacom benefit plans and programs (including, without limitation, medical and dental coverage, life insurance coverage, vacation accrual, all retirement and the related excess plans, STD and LTD plans and accidental death and dismemberment and business travel and accident insurance and your rights with respect to any outstanding equity compensation awards) shall be governed by the terms of the applicable plan and program documents, award agreements and certificates.

(b) Resignation from Official Positions. If your employment with the Company 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 the Company or Viacom and all board seats or other positions in other entities to which you have been designated by the Company or Viacom or which you have held on behalf of the Company or Viacom. If, for any reason, this paragraph 17(b) is deemed insufficient to effectuate such resignation, you hereby authorize the Secretary and any Assistant Secretary of Viacom Inc. to execute any documents or instruments which Viacom Inc. may deem necessary or desirable to effectuate such resignation or resignations, and to act as your attorney-in fact.

18. Survival; Remedies.

(a) Survival. Your obligations under paragraphs 6, 7, 8 and 9 shall remain in full force and effect for the entire period provided therein notwithstanding the termination of your employment for any reason or the expiration of the Contract Period.

(b) Modification of Terms. You and the Company acknowledge and agree that the restrictions and remedies contained in paragraphs 6, 7, 8 and 9 are reasonable and that it is your intention and the intention of the Company 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 modified, then such restriction or remedy shall apply with the deletion or 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.

(c) Injunctive Relief. The Company 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, 7, 8 and 9 shall result in irreparable damage to the Company, and, accordingly, the Company may obtain injunctive and other equitable relief for any breach or threatened breach of such paragraphs, in addition to any other remedies available to the Company. To the extent permitted by applicable law, you hereby waive any right to the posting of a bond in connection with any injunction or other equitable relief sought by the Company and you agree not to seek such relief in your opposition to any application for relief the Company shall make.

(d) Other Remedies. In the event that you materially violate the provisions of paragraphs 6, 7, 8 or 9 at any time during the Non-Competition Period or any period in which the Company is making payments to you pursuant to this Agreement, (i) any outstanding stock options or other undistributed equity awards granted to you by the Company shall immediately be forfeited, whether vested or unvested; and (ii) the Company's obligation to make any further payments or to provide benefits (other than Accrued Compensation and Benefits) to you pursuant to this Agreement shall terminate. The Company shall give you written notice prior to commencing any remedy under this paragraph 18(d) or, if no cure period is applicable, contemporaneous with such commencement, setting forth the nature of any alleged violation in reasonable detail and the conduct required to cure such violation. Except for a violation 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; provided, however, that, if the Company reasonably expects irreparable injury from a delay of ten (10) business days, the Company may give you notice of such shorter period within which to cure as is reasonable under the circumstances, which may include commencement of a remedy without notice and with immediate effect. The remedies under this paragraph 18 are in addition to any other remedies the Company may have against you, including under this Agreement or any other agreement, under any equity or other incentive or compensation plan or under applicable law.

19. General Provisions.

(a) Deductions and Withholdings. In the event of the termination of your employment for any reason, the Company reserves the right, to the extent permitted by law and in addition to any other remedy the Company may have, to deduct from any monies that are otherwise payable to you and that do not constitute deferred compensation within the meaning of Section 409A of the Code, the regulations promulgated thereunder or any related guidance issued by the U.S. Treasury Department ("Section 409A") all monies and the replacement value of any property you may owe to the Company at the time of

or subsequent to the termination of your employment with the Company. The Company shall not make any such deduction from any amount that constitutes deferred compensation for purposes of Section 409A. To the extent any law requires an employee's consent to the offset provided in this paragraph and permits such consent to be obtained in advance, this Agreement shall be deemed to provide the required consent. Except as otherwise expressly provided in this Agreement or in any Company benefit plan, all amounts payable under this Agreement shall be paid in accordance with the Company's ordinary payroll practices less deductions and income and payroll tax withholding as may be required under applicable law. Any property (including shares of Viacom Inc. Class B Common Stock), benefits and perquisites provided to you under this Agreement, including, without limitation, COBRA payments made on your behalf, shall be taxable to you as provided by law.

(b) Cash and Equity Awards Modifications. Notwithstanding any other provisions of this Agreement to the contrary, the Company reserves the right to modify or amend unilaterally the terms and conditions of your cash compensation, stock option awards or other equity awards, without first asking your consent, to the extent that the Company considers such modification or amendment necessary or advisable to comply with any law, regulation, ruling, judicial decision, accounting standard, regulatory guidance or other legal requirement (the "Legal Requirement") applicable to such cash compensation, stock option awards or other equity awards, provided that, except where necessary to comply with law, such amendment does not have a material adverse effect on the value of such compensation award to you. In addition, the Company may, without your consent, amend or modify your cash compensation, stock option awards or other equity awards in any manner that the Company considers necessary or advisable to ensure that such cash compensation, stock option awards or other equity awards are not subject to United States federal income tax, state or local income tax or any equivalent taxes in territories outside the United States prior to payment, exercise, vesting or settlement, as applicable, or any tax, interest or penalties pursuant to Section 409A.

(c) Section 409A Provisions.

- (i) The Company may, without your consent, amend any provision of this Agreement to the extent that, in the reasonable judgment of the Company, such amendment is necessary or advisable to avoid the imposition on you of any tax, interest or penalties pursuant to Section 409A or otherwise to make this Agreement enforceable. Any such amendment shall maintain, to the maximum extent practicable, the original intent and economic benefit to you of the applicable provision.
- (ii) It is the intention and understanding of the parties that all amounts and benefits to which you become entitled under this Agreement will be paid or provided to you pursuant to a fixed schedule within the meaning of Section 409A. Notwithstanding such intention and understanding, in the event that you are a specified employee as determined by Viacom Inc. (a "Specified Employee") at the time of your Separation from Service (as defined below), then to the extent that any amount or benefit owed to you under this Agreement (x) constitutes an amount of deferred compensation for purposes of Section 409A and (y) is considered for purposes of Section 409A to be owed to you by virtue of your Separation from Service, then such amount or benefit shall not be paid or provided during the six (6) month period following the date of your Separation from Service and instead shall be paid or provided on the first day of the seventh month following your date of Separation from Service; *provided, however*, that such delay shall apply only to the extent that such payments and benefits, in the

aggregate, exceed the lesser of an amount equal to (x) two (2) times your annualized compensation (as determined under the Code Section 409A regulations) and (y) two (2) times the applicable Code Section 401(a)(17) annual compensation limit for the year in which your termination occurs; *provided, further*, that any payments made during such six (6) month period shall first be made to cover all costs relating to medical, dental and life insurance coverage to which you are entitled under this Agreement and thereafter shall be made in respect of other amounts or benefits owed to you.

- (iii) As used herein, "Separation from Service" shall mean either (i) the termination of your employment with the Company and its affiliates, provided that such termination of employment meets the requirements of a separation of service determined using the default provisions set forth in Treasury Regulation §1.409A-(1)(h) or the successor provision thereto or (ii) such other date that constitutes a separation from service with the Company and its affiliates meeting the requirements of the default provisions set forth in Treasury Regulation §1.409A-(1)(h) or the successor provision thereto. For purposes of this definition, "affiliate" means any corporation that is in the same controlled group of corporations (within the meaning of Code Section 414(b)) as the Company and any trade or business that is under common control with the Company (within the meaning of Code Section 414(c)), determined in accordance with the default provision set forth in Treasury Regulation §1.409A-(1)(h)(3).
- (iv) If under any provision of this Agreement you become entitled to be paid Salary continuation, then each payment of Salary during the relevant continuation period shall be considered, and is hereby designated as, a separate payment for purposes of Section 409A (and consequently your entitlement to such Salary continuation shall not be considered an entitlement to a single payment of the aggregate amount to be paid during the relevant continuation period).

(d) No Duplicative Payments. The payments and benefits provided in this Agreement in respect to the termination of employment and non-renewal of this Agreement are in lieu of any other salary, bonus or benefits payable by the Company, including, without limitation, any severance or income continuation or protection under any Viacom plan that may now or hereafter exist. All such payments and benefits shall constitute liquidated damages, paid in full and final settlement of all obligations of Viacom to you under this Agreement.

(e) Payment of Bonus Compensation.

- (i) The Bonus for any Company fiscal year under this Agreement shall be paid by March 15th of the following year.
- (ii) Except as otherwise expressly provided in this Agreement, your Bonus shall be prorated (A) to apply only to that part of the Company's fiscal year which falls within the Contract Period and (B) to the extent the Company's fiscal year is less than a 12-month fiscal year (a "Pro-Rated Bonus").
- (iii) Any Bonus or Pro-Rated Bonus payable pursuant to paragraphs 11, 13 or 14 shall be paid at the lesser of (X) your Target Bonus amount or (Y) your Target Bonus

amount, adjusted based on the Company Performance Factor for the relevant year.

(f) Parachute Payment Adjustments. Notwithstanding anything herein to the contrary, in the event that you receive any payments or distributions, whether payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, that constitute "parachute payments" within the meaning of Section 280G of the Code, and the net after-tax amount of the parachute payment is less than the net after-tax amount if the aggregate payment to be made to you were three times your "base amount" (as defined in Section 280G(b)(3) of the Code) less \$1.00, then the aggregate of the amounts constituting the parachute payment shall be reduced to an amount that shall equal three times your base amount, less \$1.00. The determinations to be made with respect to this paragraph 19(f) shall be made by a certified public accounting firm designated by the Company and reasonably acceptable to you.

(g) Adjustments to Bonuses and Long-Term Incentive Compensation. Notwithstanding anything herein to the contrary, the Company shall be entitled to adjust the amount of any Bonus or any award of long-term incentive compensation if the financial statements of Viacom or the business unit on which the calculation or determination of the Bonus or award of long-term incentive compensation were based are subsequently restated and, in the judgment of the Company, the financial statements as so restated would have resulted in a smaller Bonus or long-term incentive compensation award if such information had been known at the time the Bonus or award had originally been calculated or determined. In addition, in the event of such a restatement: (i) the Company may require you, and you agree, to repay to the Company the amount by which the Bonus as originally calculated or determined exceeds the Bonus as adjusted pursuant to the preceding sentence; and (ii) the Company may cancel, without any payment therefor, the portion of any award of long-term incentive compensation that exceeds the award adjusted pursuant to the preceding sentence (or, if such portion of an award cannot be canceled because (x) in the case of stock options or other similar awards, you have previously exercised it, the Company may require you, and you agree, to repay to the Company the amount, net of any exercise price, that you realized upon exercise or (y) in the case of restricted share units or other similar awards, shares of Class B Common Stock were delivered to you in settlement of such award, the Company may require you, and you agree to return the shares of Class B Common Stock, or if such shares were sold by you, return any proceeds realized on the sale of such shares).

(h) Mediation. Prior to the commencement of any legal proceeding relating to your employment, you and the Company agree to attempt to mediate the dispute using a professional mediator from the American Arbitration Association ("AAA") or the International Institute for Conflict Prevention and Resolution ("CPR"). Within a period of 30 days after a written request for mediation by either you or the Company, the parties agree to convene with the mediator, for at least one session to attempt to resolve the matter. In no event will mediation delay commencement of any legal proceeding for more than 30 days absent agreement of the parties or prevent a bona fide application by either party to a court of competent jurisdiction for emergency relief. The fees of the mediator and of the AAA or CPR, as the case may be, shall be borne by the Company.

20. Additional Representations and Acknowledgments.

(a) No Acceptance of Payments. You represent that you have not accepted or given nor shall you accept or give, directly or indirectly, any money, services or other valuable consideration from or to anyone other than the Company or Viacom for the inclusion of any matter as part of any film, television, internet or other programming produced, distributed and/or developed by Viacom.

(b) Viacom Policies. You recognize that the Company is an equal opportunity employer. You agree that you shall comply with the Company's employment practices and policies, as they may be amended from time to time, and with all applicable federal, state and local laws prohibiting discrimination on any basis. In addition, you agree that you shall comply with the Viacom Global Business Practices Statement and Viacom's other policies and procedures, as they may be amended from time to time, and provide the certifications and conflict of interest disclosures required by the Viacom Global Business Practices Statement.

21. Notices. Notices under this Agreement must be given in writing, by personal delivery, regular mail or receipted email, 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 the Company, to the attention of Viacom Inc.'s General Counsel. Any notice given by regular mail shall be deemed to have been given three (3) days following such mailing.

22. Binding Effect; Assignment. This Agreement and rights and obligations of the Company hereunder shall not be assigned by the Company, provided that the Company may assign this Agreement to any subsidiary or affiliated company of or any successor in interest to the Company provided that such assignee assumes all of the obligations of the Company and Viacom hereunder. This Agreement is for the performance of personal services by you and may not be assigned by you, except that the rights specified in Section 13 shall pass upon your death to your designated beneficiary (or, if there is no such beneficiary, your estate).

23. **GOVERNING LAW AND FORUM**. You acknowledge that this agreement has been executed, in whole or in part, in New York. Accordingly, you agree that this Agreement and all matters or issues arising out of or relating to your employment with the Company 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.

24. No Implied Contract. Nothing contained in this Agreement shall be construed to impose any obligation on the Company or you to renew this Agreement or any portion hereof or on the Company to establish or maintain any benefit, welfare or compensation plan or program or to prevent the modification or termination of any benefit, welfare or compensation plan or program or any action or inaction with respect to any such benefit, welfare or compensation plan or program. The parties intend to be bound only upon full execution of a written agreement by both parties and no negotiation, exchange of draft, partial performance or tender of an agreement (including any extension or renewal of this Agreement) executed by one party shall be deemed to imply an agreement or the renewal or extension of any agreement relating to your employment with the Company. Neither the continuation of employment nor any other conduct shall be deemed to imply a continuing agreement upon the expiration of the Contract Period.

25. Severability. In the event any provision or part of this Agreement is found to be invalid or unenforceable, only that particular provision or part so found, and not the entire Agreement, shall be inoperative.

26. Entire Understanding. This Agreement contains the entire understanding of the parties hereto relating to the subject matter contained in this Agreement, and, except as otherwise provided herein, can be modified only by a writing signed by both parties.

27. Supersedes Prior Agreements. With respect to the period covered by the Contract Period, this Agreement supersedes and cancels all prior agreements relating to your employment with the Company or Viacom.

Please confirm your understanding of the Agreement by signing and returning all four (4) copies of this Agreement. This document shall constitute a binding agreement between us only after it also has been executed by the Company and a fully executed copy has been returned to you.

Very truly yours,

VIACOM INC.

By: /s/ Thomas E. Dooley
Thomas E. Dooley
Senior Executive Vice President,
Chief Operating Officer & Chief Financial Officer

ACCEPTED AND AGREED:

/s/ Denise White
Denise White

Dated: 8/12/10

Denise White
c/o Viacom Inc.
1515 Broadway
New York, NY 10036

This General Release of all Claims (this "Agreement") is entered into by Denise White (the "Executive") and Viacom Inc. (the "Company"), effective as of _____.

In consideration of the promises set forth in the letter agreement between the Executive and the Company, dated July 1, 2010 (the "Employment Agreement"), the Executive and the Company agree as follows:

1. Return of Property. All Company files, access keys and codes, desk keys, ID badges, computers, records, manuals, electronic devices, computer programs, papers, electronically stored information or documents, telephones and credit cards, and any other property of the Company in the Executive's possession must be returned no later than the date of the Executive's termination from the Company.

2. General Release and Waiver of Claims.

(a) Release. In consideration of the payments and benefits provided to the Executive under the Employment Agreement and after consultation with counsel, the Executive and each of the Executive's respective heirs, executors, administrators, representatives, agents, insurers, successors and assigns (collectively, the "Releasers") hereby irrevocably and unconditionally release and forever discharge the Company, its subsidiaries and affiliates and each of their respective officers, employees, directors, shareholders and agents ("Releasees") from any and all claims, actions, causes of action, rights, judgments, obligations, damages, demands, accountings or liabilities of whatever kind or character (collectively, "Claims"), including, without limitation, any Claims under any federal, state, local or foreign law, that the Releasers may have, or in the future may possess, arising out of (i) the Executive's employment relationship with and service as an employee, officer or director of the Company, Viacom (as defined in the Employment Agreement) or any subsidiaries or affiliated companies and the termination of such relationship or service, and (ii) any event, condition, circumstance or obligation that occurred, existed or arose on or prior to the date hereof and relates to your employment with Viacom; provided, however, that the Executive does not release, discharge or waive any rights to (i) payments and benefits provided under the Employment Agreement that are contingent upon the execution by the Executive of this Agreement or otherwise expressly survive termination thereof and (ii) any indemnification rights the Executive may have in accordance with the Company's governance instruments or under any director and officer liability insurance maintained by the Company with respect to liabilities arising as a result of the Executive's service as an officer and employee of the Company.

(b) Specific Release of ADEA Claims. In further consideration of the payments and benefits provided to the Executive under the Employment Agreement, the Releasers hereby unconditionally release and forever discharge the Releasees from any and all Claims that the Releasers may have as of the date the Executive signs this Agreement arising under the Federal Age Discrimination in Employment Act of 1967, as amended, including the Older Workers Benefit Protection Act of 1990 ("OWBPA"), and the applicable rules and regulations promulgated thereunder ("ADEA"). By signing this Agreement, the Executive hereby acknowledges and confirms the following: (i) the Executive was advised by the Company in connection with her termination to consult with an attorney of her choice prior to signing this Agreement and to have such attorney explain to the Executive the terms of this

Agreement, including, without limitation, the terms relating to the Executive's release of claims arising under ADEA, and the Executive has in fact consulted with an attorney; (ii) the Executive was given a period of not fewer than 21 days to consider the terms of this Agreement and to consult with an attorney of her choosing with respect thereto; (iii) the Executive knowingly and voluntarily accepts the terms of this Agreement; and (iv) the Executive is providing this release and discharge only in exchange for consideration in addition to anything of value to which the Executive is already entitled. The Executive also understands that she has seven (7) days following the date on which she signs this Agreement within which to revoke the release contained in this paragraph 2(b), by providing the Company a written notice of her revocation of the release and waiver contained in this paragraph 2(b); provided, however, that if the Executive exercises her right to revoke the release contained in this paragraph 2(b), the Executive shall not be entitled to any amounts paid to her under the termination provisions of the Employment Agreement and the Company may reclaim any such amounts paid to her and may terminate any benefits and payments that are subsequently due under the Employment Agreement, except as prohibited by the ADEA and OWBPA.

(c) No Assignment. The Executive represents and warrants that she has not assigned any of the Claims being released under this Agreement. The Company may assign this Agreement, in whole or in part, to any affiliated company or subsidiary of, or any successor in interest to, the Company.

3. Proceedings. The Executive has not filed, and agrees not to initiate or cause to be initiated on her behalf, any complaint, charge, claim or proceeding against the Releasees before any local, state or federal agency, court or other body relating to her employment or the termination of her employment, other than with respect to the obligations of the Company to the Executive under the Employment Agreement (each, individually, a "Proceeding"), and agrees not to participate voluntarily in any Proceeding. Notwithstanding the foregoing, the prohibitions in this paragraph 3 shall not apply to the Executive's right to file a charge with the Equal Employment Opportunity Commission ("EEOC") or similar local or state agency, or participate in an investigation conducted by such agency. The Executive waives any right she may have to benefit in any manner from any relief (whether monetary or otherwise) (i) arising out of any Proceeding and/or (ii) in connection with any claim pursued by any administrative agency, including but not limited to the EEOC, on the Executive's behalf and, in the event the Executive is awarded money, compensation or benefits, the Executive shall immediately remit such award to the Company.

4. Remedies. In the event the Executive initiates or voluntarily participates in any Proceeding in violation of this Agreement, or if she fails to abide by any of the terms of this Agreement or her post-termination obligations contained in the Employment Agreement, the Company may, in addition to any other remedies it may have, reclaim any amounts paid to her under the termination provisions of the Employment Agreement and terminate any benefits or payments that are subsequently due under the Employment Agreement, except as prohibited by the ADEA and OWBPA, without waiving the release granted herein. The Executive acknowledges and agrees that the remedy at law available to the Company for breach of any of her post-termination obligations under the Employment Agreement or her obligations under paragraphs 2 and 3 herein would be inadequate and that damages flowing from such a breach may not readily be susceptible to being measured in monetary terms. Accordingly, the Executive acknowledges, consents and agrees that, in addition to any other rights or remedies that the Company may have at law or in equity or as may otherwise be set forth in the Employment Agreement, the Company shall be entitled to seek a temporary restraining order or a preliminary or permanent injunction, or both, without bond or other security, restraining the Executive from breaching her post-termination obligations under the Employment Agreement or her obligations under paragraphs 2 and 3 herein. Such injunctive relief in any court shall be available to the Company, in lieu of, or prior to or pending determination in, any arbitration proceeding.

The Executive understands that by entering into this Agreement she shall be limiting the availability of certain remedies that she may have against the Company and limiting also her ability to pursue certain claims against the Company.

5. Severability Clause. In the event any provision or part of this Agreement is found to be invalid or unenforceable, only that particular provision or part so found, and not the entire Agreement, shall be inoperative.

6. Nonadmission. Nothing contained in this Agreement shall be deemed or construed as an admission of wrongdoing or liability on the part of the Company.

7. GOVERNING LAW AND FORUM. The Executive acknowledges that this agreement has been executed, in whole or in part, in New York. Accordingly, the Executive agrees that this Agreement and all matters or issues arising out of or relating to the Executive's employment with the Company 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.

8. Notices. Notices under this Agreement must be given in writing, by personal delivery, regular mail or receipted email, 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 the Company, to the attention of Viacom Inc.'s General Counsel. Any notice given by regular mail shall be deemed to have been given three (3) days following such mailing.

THE EXECUTIVE ACKNOWLEDGES THAT SHE HAS READ THIS AGREEMENT AND THAT SHE FULLY KNOWS, UNDERSTANDS AND APPRECIATES ITS CONTENTS, AND THAT SHE HEREBY EXECUTES THE SAME AND MAKES THIS AGREEMENT AND THE RELEASE AND AGREEMENTS PROVIDED FOR HEREIN VOLUNTARILY AND OF HER OWN FREE WILL.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

VIACOM INC.

By: _____
Thomas E. Dooley
Senior Executive Vice President,
Chief Operating Officer & Chief Financial Officer

THE EXECUTIVE

Denise White

Dated: _____

October 1, 2010

James Barge
5 Grimes Road
Old Greenwich, CT 06870

Dear Mr. Barge:

Viacom Inc. (the "Company"), with an address at 1515 Broadway, New York, New York 10036, agrees to employ you, and you accept such employment, on the terms and conditions set forth in this letter agreement ("Agreement"). For purposes of this Agreement, "Viacom" shall mean Viacom Inc. and its subsidiaries.

1. Contract Period. The term of your employment under this Agreement shall begin on October 1, 2010 (the "Effective Date") and, unless terminated earlier as set forth herein, shall continue through and including September 30, 2013. The period from the Effective Date through September 30, 2013 is referred to as the "Contract Period", even if your employment terminates earlier for any reason.

2. Duties. You shall devote your entire business time, attention and energies to the business of the Company during your employment with the Company; provided, however, that nothing in this Agreement shall preclude you from serving as a member of the board of directors of, or devoting a reasonable period of time to, any charitable, educational, religious, entertainment industry trade, public interest or public service organization, in each instance not inconsistent with the business practices and policies of the Company, and provided further that such activities do not interfere with the performance of your duties and responsibilities hereunder. You shall be Executive Vice President, Chief Financial Officer of the Company, and you shall perform all duties reasonable and consistent with such office as may be assigned to you from time to time by the Company's Chief Operating Officer ("COO"), or other individual designated by the Company's Chief Executive Officer ("CEO"); provided, however, that, without your consent, you shall not be required to report directly to any employee other than the COO or CEO.

3. Compensation.

(a) Salary. The Company shall pay you base salary (as may be increased, "Salary") at a rate of Nine Hundred Fifty Thousand Dollars (\$950,000) per year for all of your services as an employee. Your Salary shall be subject to merit reviews, on or about an annual basis, while actively employed during the Contract Period and may, at that time, be increased but not decreased. Your Salary, less deductions and income and payroll tax withholding as may be required under applicable law, shall be payable in accordance with the Company's ordinary payroll policy, but no less frequently than monthly.

(b) Bonus. You also shall be eligible to earn a bonus ("Bonus") or a Pro-Rated Bonus (as defined in paragraph 19(e)(ii)), as applicable, with respect to each Company fiscal year or portion thereof that you are employed during the Contract Period, determined as set forth below.

(i) Your Bonus for each Company fiscal year, regardless of whether such fiscal year is a 12-month period or a shorter period of time, shall be determined in

accordance with the Viacom Inc. Senior Executive Short-Term Incentive Plan as it may be amended from time to time (the "STIP").

(ii) Your target Bonus for each year during the Contract Period shall be 100% of your Salary (your "Target Bonus") and shall be adjusted based on the Company's performance (the "Company Performance Factor") and your individual performance (the "Individual Performance Factor"), in each case as determined by the Company or Viacom Inc. and as further provided in the STIP.

(c) Long-Term Incentive Compensation. During your employment under this Agreement, you shall be eligible to participate in the Viacom Inc. 2006 Long-Term Management Incentive Plan, or any successor plan, at a level appropriate to your position and individual performance as determined by the Viacom Inc. Board of Directors (the "Board") or a committee of the Board, in its discretion, based on a target value of Eight Hundred Thousand Dollars (\$800,000), determined and modified (in a manner consistent with the annual LTMIIP grant design applicable to similarly situated employees of the Company) by the CEO and, if required, the Board or a committee of the Board.

(d) Compensation During Short-Term Disability. Your compensation for any period that you are absent due to a short-term disability ("STD") and are receiving compensation under a Viacom STD plan shall be determined in accordance with the terms of such STD plan. The compensation provided to you under the applicable STD plan shall be in lieu of the Salary provided under this Agreement. Your participation in any other Viacom benefit plans or programs shall be governed by the terms of the applicable plan or program documents, award agreements and certificates.

4. Benefits. During your employment under this Agreement, you shall be eligible to participate in any vacation programs, medical and dental plans and life insurance plans, STD and long-term disability ("LTD") plans, retirement and other employee benefit plans the Company may have, establish or maintain from time to time and for which you qualify pursuant to the terms of the applicable plan.

5. Business Expenses; Indemnification.

(a) Business Expenses. During your employment under this Agreement, the Company shall reimburse you for such reasonable travel and other expenses, incurred in the performance of your duties in accordance with the Company's policies, as are customarily reimbursed to Company executives at comparable levels.

(b) Indemnification. The Company hereby agrees that it shall indemnify and hold you harmless to the maximum extent permitted by law in connection with any action or proceeding in which you are a party by reason of your employment under this Agreement or for any acts or omissions made by you in good faith in the performance of your duties hereunder. 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 the Company prompt written notice thereof; provided, that the failure to give such notice shall not affect your right to indemnification. The Company 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 the Company and you in connection with the defense of a Proceeding, you shall so notify the Company and shall be entitled to separate representation by counsel selected by you (provided that the Company 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 the Company's counsel and minimize the expense of such separate representation to the extent consistent with your separate defense. The Company shall not be liable for any settlement of any Proceeding effected without its prior written consent. Notwithstanding anything to the contrary set forth herein, the provisions of this paragraph 5(b) shall survive the expiration of the Contract Period or any earlier termination thereof.

6. Non-Competition and Non-Solicitation.

(a) Non-Competition.

- (i) Your employment with the Company is on an exclusive and full-time basis, and while you are employed by the Company, you shall not engage in any other business activity which is in conflict with your duties and obligations (including your commitment of time) to the Company. During the Non-Competition Period, you shall not directly or indirectly engage in or participate as an owner, partner, holder or beneficiary of stock, stock options or other equity interest, officer, employee, director, manager, partner or agent of, or consultant for, any business competitive with any business of Viacom without the prior written consent of the Company. This provision shall not limit your right to own and have options or other rights to purchase not more than one percent (1%) of any of the debt or equity securities of any business organization that is then filing reports with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, unless such ownership constitutes a significant portion of your net worth.
- (ii) The "Non-Competition Period" begins on the Effective Date and ends on the last day of the Contract Period, provided that:
1. If the Company terminates your employment without Cause or if you validly resign for Good Reason before the end of the Contract Period, then the Non-Competition Period shall end on the earlier of (i) the end of the period in which you are receiving payments pursuant to paragraph 11(c)(i) or (ii) the effective date of your waiver in writing of any right to receive or continue to receive compensation and benefits under paragraph 11; provided, however, in no event shall the Non-Competition period end less than six (6) months following your termination of employment. You shall be deemed to have irrevocably provided such waiver if you accept competing employment.
 2. If the Company terminates your employment for Cause or you resign other than for Good Reason, the Non-Competition Period shall end on the earlier of (i) the last day of the Contract Period or (ii) eighteen (18) months after such termination or resignation.

(b) Non-Solicitation.

(i) During the Non-Solicitation Period, you shall not directly or indirectly engage or attempt to engage in any of the following acts:

1. Employ or solicit the employment of any person who is then, or has been within six (6) months prior thereto, an employee of Viacom;
or
2. Interfere with, disturb or interrupt the relationships (whether or not such relationships have been reduced to formal contracts) of Viacom with any customer, supplier, independent contractor, consultant, joint venture or other business partner (to the extent each of the limitations in this paragraph 6(b)(i)(2) is permitted by applicable law).

(ii) The "Non-Solicitation Period" begins on the Effective Date and ends on the last day of the Contract Period, or, if longer, eighteen (18) months after the Company terminates your employment for Cause or you resign other than for Good Reason.

(c) Severability. If any court determines that any portion of this Section 6 is invalid or unenforceable, the remainder of this Section 6 shall not thereby be affected and shall be given full effect without regard to the invalid provisions. If any court construes any of the provisions of this Section 6, or any part thereof, to be unreasonable because of the duration or scope of such provision, such court shall have the power to reduce the duration or scope of such provision and to enforce such provision as so reduced.

7. Confidentiality and Other Obligations.

(a) Confidential Information. You shall not use for any purpose or disclose to any third party any information relating to Viacom, Viacom's clients or other parties with which Viacom has a relationship, or that may provide Viacom with a competitive advantage ("Confidential Information"), other than (i) in the performance of your duties under this Agreement consistent with the Company's or Viacom's policies or (ii) as may otherwise be required by law or legal process. Confidential Information shall include, without limitation, trade secrets; inventions (whether or not patentable); technology and business processes; business, product or marketing plans; negotiating strategies; sales and other forecasts; financial information; client lists or other intellectual property; information relating to compensation and benefits; public information that becomes proprietary as a result of Viacom's compilation of that information for use in its business; documents (including any electronic record, videotapes or audiotapes) and oral communications incorporating Confidential Information. You shall also comply with any and all confidentiality obligations of Viacom to a third party of which you are aware, whether arising under a written agreement or otherwise. Information shall not be deemed Confidential Information if it is or becomes generally available to the public other than as a result of an unauthorized disclosure or action by you or at your direction.

(b) Interviews, Speeches or Writings About Viacom. Except in the performance of your duties under this Agreement consistent with Viacom's policies, you shall obtain the express authorization of the Company before (i) giving any speeches or interviews or (ii) preparing or assisting any person or entity in the preparation of any books, articles, radio broadcasts, electronic communications, television or motion picture productions or other creations, in either case concerning Viacom or any of its respective businesses, officers, directors, agents, employees, suppliers or customers.

(c) Non-Disparagement. You shall not, directly or indirectly, in any communications with any reporter, author, producer or any similar person or entity, the press or other media, or any customer, client or supplier of Viacom, criticize, ridicule or make any statement which is negative, disparages or is derogatory of Viacom or any of its directors or senior officers. The Company agrees that the senior executive officers of the Company shall not, during the Contract Period and for one (1) year thereafter, criticize, ridicule or make any statements that disparage or are derogatory of you in any communications with any reporter, author, producer or any similar person or entity, the press or other media, or any customer, client or supplier of the Company.

(d) Scope and Duration. The provisions of paragraph 7(a) shall be in effect during the Contract Period and at all times thereafter. The provisions of paragraphs 7(b) and 7(c) shall be in effect during the Contract Period and for one (1) year thereafter and such provisions shall apply to all formats and platforms now known or hereafter developed, whether written, printed, oral or electronic, including, without limitation, e-mails, "blogs", internet sites, chat or news rooms, podcasts or any online forum.

8. Viacom Property.

(a) Viacom Ownership.

- (i) The results and proceeds of your services to the Company, whether or not created during the Contract Period, including, without limitation, any works of authorship resulting from your services 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, with the right to use, license or dispose of the works in perpetuity in any manner Viacom determines in its sole discretion without any further payment to you, whether such rights and means of use are now known or hereafter defined or discovered.
- (ii) If, for any reason, any of the results and proceeds of your services to the Company 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 this paragraph 8(a), then you hereby irrevocably 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, and Viacom shall have the sole right to use, license or dispose of the work in perpetuity throughout the universe in any manner Viacom determines in its sole discretion without any further payment to you, whether such rights and means of use are now known or hereafter defined or discovered.
- (iii) Upon request by the Company, whether or not during the Contract Period, you shall do any and all things which the Company may deem useful or desirable to establish or document Viacom's rights in the results and proceeds of your services to the Company, including, without limitation, the execution of appropriate copyright, trademark and/or patent applications, assignments or similar documents. You hereby irrevocably designate the General Counsel, Secretary or any Assistant Secretary of Viacom Inc. as your attorney-in-fact with the power to take such action and execute such documents on your behalf. To the extent you have any rights in such results and proceeds that cannot be

assigned as described above, you unconditionally and irrevocably waive the enforcement of such rights.

- (iv) The provisions of this paragraph 8(a) do not limit, restrict, or constitute a waiver by Viacom of any ownership rights to which Viacom may be entitled by operation of law by virtue of being your employer.
- (v) You and the Company acknowledge and understand that the provisions of this paragraph 8 requiring assignment of inventions to Viacom do not apply to any invention which qualifies fully under the provisions of California Labor Code Section 2870, to the extent that such provision applies to you. You agree to advise the Company promptly in writing of any inventions that you believe meet the criteria in California Labor Code Section 2870.

(b) 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 the Company shall remain the exclusive property of Viacom and shall remain in Viacom's exclusive possession at the conclusion of your employment.

9. Legal Matters.

(a) Communication. Except as required by law or legal process or at the request of the Company, you shall not communicate with anyone (other than your attorneys who agree to keep such matters confidential), except to the extent necessary in the performance of your duties under this Agreement in accordance with Viacom Inc.'s policies, with respect to the facts or subject matter of any claim, litigation, regulatory or administrative proceeding directly or indirectly involving Viacom ("Viacom Legal Matter") without obtaining the prior consent of Viacom Inc. or its counsel.

(b) Cooperation. You agree to cooperate with Viacom and its attorneys in connection with any Viacom Legal Matter. Your cooperation shall include, without limitation, providing assistance to and meeting with Viacom's counsel, experts or consultants, and providing truthful testimony in pretrial and trial or hearing proceedings. In the event that your cooperation is requested after the termination of your employment, Viacom shall (i) seek to minimize interruptions to your schedule to the extent consistent with its interests in the matter; and (ii) reimburse you for all reasonable and appropriate out-of-pocket expenses actually incurred by you in connection with such cooperation upon reasonable substantiation of such expenses.

(c) Testimony. Except as required by law or legal process or at the request of Viacom Inc., you shall not testify in any lawsuit or other proceeding which directly or indirectly involves Viacom, or which is reasonably likely to create the impression that such testimony is endorsed or approved by Viacom.

(d) Notice to Viacom. If you are requested or if you receive legal process requiring you to provide testimony, information or documents (including electronic documents) in any Viacom Legal Matter or that otherwise relates, directly or indirectly, to Viacom or any of its officers, directors, employees or affiliates, you shall give prompt notice of such event to Viacom Inc.'s General Counsel and you shall follow any lawful direction of Viacom Inc.'s General Counsel or his/her designee with respect to your response to such request or legal process.

(e) Adverse Party. The provisions of this paragraph 9 shall not apply to any litigation or other proceeding in which you are a party adverse to Viacom; provided, however, that Viacom expressly reserves its rights under paragraph 7 and its attorney-client and other privileges and immunities, including, without limitation, with respect to its documents and Confidential Information, except if expressly waived in writing by Viacom Inc.'s General Counsel or his/her designee.

(f) Duration. The provisions of this paragraph 9 shall apply during the Contract Period and at all times thereafter, and shall survive the termination of your employment with the Company, with respect to any Viacom Legal Matter arising out of or relating to the business in which you were engaged during your employment with the Company. As to all other Viacom Legal Matters, the provisions of this paragraph 9 shall apply during the Contract Period and for one year thereafter or, if longer, during the pendency of any Viacom Legal Matter which was commenced, or which Viacom received notice of, during such period.

10. Termination for Cause.

(a) Termination Payments. The Company may terminate your employment under this Agreement for Cause and thereafter shall have no further obligations to you under this Agreement or otherwise, except for any earned but unpaid Salary through and including the date of termination of employment and any other amounts or benefits required to be paid or provided by law or under any plan of the Company (the "Accrued Compensation and Benefits"). Without limiting the generality of the preceding sentence, upon termination of your employment for Cause, you shall have no further right to any Bonus or to exercise or redeem any stock options or other equity compensation.

(b) Cause Definition. "Cause" shall mean: (i) conduct constituting embezzlement, material misappropriation or fraud, whether or not related to your employment with the Company; (ii) conduct constituting a felony, whether or not related to your employment with the Company; (iii) conduct constituting a financial crime, material act of dishonesty or material unethical business conduct, involving Viacom; (iv) willful unauthorized disclosure or use of Confidential Information; (v) the failure to substantially obey a material lawful directive that is appropriate to your position from a superior in your reporting line or the Board; (vi) your material breach of any material obligation under this Agreement; (vii) the failure or refusal to substantially perform your material obligations under this Agreement (other than any such failure or refusal resulting from your STD or LTD); (viii) the willful failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, whether or not related to employment with the Company, after being instructed by Viacom to cooperate; (ix) the willful destruction of or willful failure to preserve documents or other material known to be relevant to any investigation referred to in subparagraph (viii) above; or (x) the willful inducement of others to engage in the conduct described in subparagraphs (i) – (ix), including, without limitation, with regard to subparagraph (vi), obligations of others to Viacom.

(c) Notice/Cure. The Company shall give you written notice prior to terminating your employment for Cause or, if no cure period is applicable, contemporaneous with termination of your employment for Cause, setting forth in reasonable detail the nature of any alleged failure, breach or refusal in reasonable detail and the conduct required to cure such breach, failure or refusal. 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; provided, however, that, if the Company reasonably expects irreparable injury from a delay of ten (10) business days, the Company may give you notice of such shorter period within which to cure as is reasonable under the circumstances, which may include the termination of your employment without notice and with immediate effect.

11. Resignation for Good Reason and Termination Without Cause.

(a) Resignation for Good Reason.

- (i) You may resign for Good Reason at any time that you are actively employed during the Contract Period by written notice to the Company no more than thirty (30) days after the occurrence of the event constituting Good Reason. Such notice shall state the grounds for such Good Reason resignation and an effective date no earlier than thirty (30) business days after the date it is given. The Company shall have thirty (30) 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.
- (ii) “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 death or LTD): (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; (iii) the material breach by the Company of any material obligation under this Agreement; or (iv) the relocation of your position outside of the New York City metropolitan area.

(b) Termination Without Cause. The Company may terminate your employment under this Agreement without Cause at any time during the Contract Period by written notice to you.

(c) Termination Payments/Benefits. In the event that your employment terminates under paragraph 11(a) or (b), you shall thereafter receive the compensation and benefits described below and the following shall apply:

- (i) The Company shall continue to pay your Salary (at the rate in effect on the date of termination, or, if your Salary has been reduced in violation of this Agreement, your highest Salary during the Contract Period) at the same time and in the same manner as if you had not terminated employment for the longer of one (1) year or until the end of the Contract Period;
- (ii) You shall be eligible to receive a Bonus or Pro-Rated Bonus, as applicable, for each Company fiscal year or portion thereof during the Contract Period, calculated as provided in paragraph 19(e)(iii), provided that the total severance payment you receive pursuant to paragraphs 11(c)(i) and (ii) shall in no event exceed two times the sum of your Salary and Target Bonus in the year in which such termination occurs;
- (iii) Provided you validly elect continuation of your medical and dental coverage under Section 4980B(f) of the Internal Revenue Code of 1986 (the “Code”) (relating to coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 (“COBRA”)), your coverage and participation under the Company’s medical and dental benefit plans and programs in which you were participating immediately prior to your termination of employment pursuant to this paragraph 11, shall continue at no cost to you (except as set forth below) until the earlier of (i) the end of the Contract Period, but in no event less than twelve (12) months after the termination of your employment, or (ii) the date on which you become

eligible for medical and/or dental coverage from another employer; provided, that, during the period that the Company provides you with this coverage, an amount equal to the total applicable COBRA cost (or such other amounts as may be required by law) will be included in your income for tax purposes and the Company may withhold taxes from your termination payments for this purpose; and provided, further, that you may elect to continue your medical and dental coverage under COBRA at your own expense for the balance, if any, of the period required by law;

- (iv) The Company shall continue to provide you with life insurance coverage, at no premium cost to you (unless you had no coverage at the time of termination), until the end of the Contract Period or, if longer, the end of the period in which you are receiving payments pursuant to paragraph 11(c)(i), in accordance with the Company's then-current policy, as may be amended from time to time, and in the amount then furnished at no cost to other Company executives at comparable levels. Such coverage shall end in the event you are eligible to obtain at least as much life insurance coverage from another employer; provided, however, that the Company may decrease the amount of life insurance coverage it provides to you so long as the amount of such coverage that it continues to provide, and the amount of such coverage provided to you from another employer aggregates to at least the amount furnished at no cost to other Company executives at comparable levels;
- (v) All stock options granted to you under any Viacom Inc. long-term incentive plan that have not vested as of the date of your termination of employment, but that would have vested on or before the end of the Contract Period, shall become fully vested on the date of termination;
- (vi) All restricted share units granted to you after January 1, 2007 under any Viacom Inc. long-term incentive plan that have not vested as of the date of your termination of employment, but that would have vested on or before the end of the Contract Period, shall become fully vested on the date of termination;
- (vii) There shall be no acceleration of the vesting of any equity or long-term incentive awards granted to you under any Viacom Inc. long-term incentive plan, unless otherwise provided herein or under the terms of the applicable long-term incentive plan; and
- (viii) The Company shall pay or continue to provide, as applicable, the Accrued Compensation and Benefits.

(d) Release. Your entitlement to the payments and benefits described in this paragraph 11 is conditioned on your execution and delivery to the Company, within sixty (60) days after your termination of employment (the "Release Deadline"), of a release in substantially the form appended hereto as Appendix A that remains in effect and becomes irrevocable after the expiration of any statutory period in which you are permitted to revoke a release (the "Release"). If you fail to execute and deliver the Release by the Release Deadline, or if you thereafter effectively revoke the Release, the Company shall be under no obligation to make any further payments or provide any further benefits to you and any payments and benefits previously provided to you pursuant to this paragraph 11 shall not have been earned. In such event, you shall promptly repay the Company any payments made and the Company's direct cost for any

benefits provided to you pursuant to this paragraph 11. The limitations of this paragraph shall not apply to the Accrued Compensation and Benefits.

(e) Offset. The amount of payments provided in paragraph 11 in respect of the period that begins twelve (12) months after the termination of your employment shall be reduced by any compensation for services earned by you (including as an independent consultant or independent contractor) from any source in respect of the period that begins twelve (12) months after the termination of your employment and ends when the Company is no longer required to make payments pursuant to paragraph 11 (the "Offset Period"), including, without limitation, salary, sign-on or annual bonus, consulting fees, commission payments and any amounts the payment of which is deferred at your election, or with your consent, until after the expiration of the Offset Period; provided that, if the Company in its reasonable discretion determines that any grant of long-term compensation is made in substitution of the aforementioned payments, such payments shall be further reduced by the value on the date of grant, as reasonably determined by the Company, of such long-term compensation you receive. You agree to promptly notify the Company of any arrangements during the Offset Period in which you earn compensation for services and to cooperate fully with the Company in determining the amount of any such reduction.

12. Resignation in Breach of the Agreement. If you resign prior to the expiration of the Contract Period other than for Good Reason, such resignation shall be treated as a termination for Cause under paragraph 10. After such resignation, without limitation of other rights or remedies available to the Company, the Company shall have no further obligations to you under this Agreement or otherwise, except for any Accrued Compensation and Benefits.

13. Termination Due to Death.

(a) Death While Employed. In the event of your death prior to the end of the Contract Period while actively employed with the Company, this Agreement shall automatically terminate. Thereafter, your designated beneficiary (or, if there is no such beneficiary, your estate) shall receive (i) any Accrued Compensation and Benefits as of the date of your death and (ii) for the year in which death occurs, any Bonus or Pro-Rated Bonus, as applicable, which you would have been eligible to receive, calculated in accordance with paragraph 19(e)(iii). In no event shall a distribution be made pursuant to clause (i) in the preceding sentence later than the 60th day following your death and a distribution pursuant to clause (ii) in the preceding sentence shall be made at the same time and in the same manner as if you were still actively employed with the Company.

(b) Death After the End of Employment. In the event of your death while you are entitled to receive compensation or benefits under paragraphs 11 or 15, in lieu of such payments your designated beneficiary (or, if there is no such beneficiary, your estate) shall receive, to the extent not previously paid to you, (i) continuation of Salary pursuant to the applicable paragraph through the date of death; (ii) if you were entitled to receive compensation or benefits under paragraph 11, for the year in which death occurs, any Bonus or Pro-Rated Bonus, as applicable, for the year in which death occurs, payable under such paragraph, calculated in accordance with paragraph 19(e)(iii); and (iii) any Accrued Compensation and Benefits. In no event shall a distribution be made pursuant to clauses (i) and (iii) in the preceding sentence later than the 60th day following your death and a distribution pursuant to clause (ii) in the preceding sentence shall be made at the same time and in the same manner as if you were still actively employed with the Company.

14. Long-Term Disability. In the event you are absent due to a LTD and you are receiving compensation under a Viacom LTD plan, then, effective on the date you begin receiving compensation

under such plan, (i) this Agreement shall terminate without any further action required by the Company, (ii) you shall be considered an "at-will" employee of the Company, and (iii) you shall have no guarantee of specific future employment nor continuing employment generally when your receipt of compensation under a Viacom LTD plan ends, except as required by applicable law. In the event of such termination of this Agreement, you shall receive (i) any Accrued Compensation and Benefits and (ii) for the year in which such termination occurs, any Bonus or Pro-Rated Bonus, as applicable, which you would have been entitled to receive, calculated in accordance with paragraph 19(e)(iii). Except as set forth in the previous sentence, the compensation provided to you under the applicable LTD plan shall be in lieu of any compensation from the Company (including, but not limited to, the Salary provided under this Agreement or otherwise). Your participation in any other Viacom benefit plans or programs shall be governed by the terms of the applicable plan or program documents, award agreements and certificates.

15. Non-Renewal. If the Company does not extend or renew this Agreement at the end of the Contract Period and you have not entered into a new contractual relationship with the Company or Viacom, your continuing employment, if any, with the Company or Viacom shall be "at-will" and may be terminated at any time by either party. If the Company or Viacom terminates your employment during the twelve (12) month period commencing with the last day of the Contract Period while you are an employee at-will, the Company shall continue to pay your Salary (at the rate in effect on the date of termination) at the same time and in the same manner as if you had not terminated employment for the balance, if any, of such twelve (12) month period; provided, however, that (i) you shall not be entitled to such Salary continuation if the Company terminates your employment for reasons constituting Cause and (ii) any such Salary continuation shall be subject to offset as set forth in paragraph 11(e) above, without giving effect to the twelve (12) month period referenced therein.

16. Severance Plan Adjustment. In the event that your employment with the Company terminates pursuant to paragraph 11 or 15, and, at the time of your termination of employment there is in effect a Viacom severance plan (a "Severance Plan") for which you would have been eligible to participate but for your having entered into this Agreement or being a Specified Employee and which provides for severance compensation that is greater than the amounts to which you are entitled under paragraphs 11(c)(i) and 11(c)(ii) or paragraph 15, then the amounts, but not the time or form of payment, of your severance compensation under this Agreement shall automatically be adjusted to equal those that would have been provided to you under the Severance Plan. For the avoidance of doubt, any payment entitlement pursuant to this paragraph 16 is in lieu of, and not in addition to, any severance compensation to which you may otherwise be entitled under this Agreement. Notwithstanding any adjustment to the amount of your entitlements pursuant to this paragraph 16, all other provisions of this Agreement shall remain in effect, including, without limitation, paragraphs 6, 7, 8 and 9.

17. Further Events on Termination of Employment.

(a) Termination of Benefits. Except as otherwise expressly provided in this Agreement, your participation in all Viacom benefit plans and programs (including, without limitation, medical and dental coverage, life insurance coverage, vacation accrual, all retirement and the related excess plans, STD and LTD plans and accidental death and dismemberment and business travel and accident insurance and your rights with respect to any outstanding equity compensation awards) shall be governed by the terms of the applicable plan and program documents, award agreements and certificates.

(b) Resignation from Official Positions. If your employment with the Company 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 the Company or Viacom and all board seats or other positions in other entities to which you have been designated by the Company or Viacom or which you have held on

behalf of the Company or Viacom. If, for any reason, this paragraph 17(b) is deemed insufficient to effectuate such resignation, you hereby authorize the Secretary and any Assistant Secretary of Viacom Inc. to execute any documents or instruments which Viacom Inc. may deem necessary or desirable to effectuate such resignation or resignations, and to act as your attorney-in fact.

18. Survival; Remedies.

(a) Survival. Your obligations under paragraphs 6, 7, 8 and 9 shall remain in full force and effect for the entire period provided therein notwithstanding the termination of your employment for any reason or the expiration of the Contract Period.

(b) Modification of Terms. You and the Company acknowledge and agree that the restrictions and remedies contained in paragraphs 6, 7, 8 and 9 are reasonable and that it is your intention and the intention of the Company 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 modified, then such restriction or remedy shall apply with the deletion or 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.

(c) Injunctive Relief. The Company 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, 7, 8 and 9 shall result in irreparable damage to the Company, and, accordingly, the Company may obtain injunctive and other equitable relief for any breach or threatened breach of such paragraphs, in addition to any other remedies available to the Company. To the extent permitted by applicable law, you hereby waive any right to the posting of a bond in connection with any injunction or other equitable relief sought by the Company and you agree not to seek such relief in your opposition to any application for relief the Company shall make.

(d) Other Remedies. In the event that you materially violate the provisions of paragraphs 6, 7, 8 or 9 at any time during the Non-Competition Period or any period in which the Company is making payments to you pursuant to this Agreement, (i) any outstanding stock options or other undistributed equity awards granted to you by the Company shall immediately be forfeited, whether vested or unvested; and (ii) the Company's obligation to make any further payments or to provide benefits (other than Accrued Compensation and Benefits) to you pursuant to this Agreement shall terminate. The Company shall give you written notice prior to commencing any remedy under this paragraph 18(d) or, if no cure period is applicable, contemporaneous with such commencement, setting forth the nature of any alleged violation in reasonable detail and the conduct required to cure such violation. Except for a violation 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; provided, however, that, if the Company reasonably expects irreparable injury from a delay of ten (10) business days, the Company may give you notice of such shorter period within which to cure as is reasonable under the circumstances, which may include commencement of a remedy without notice and with immediate effect. The remedies under this paragraph 18 are in addition to any other remedies the Company may have against you, including under this Agreement or any other agreement, under any equity or other incentive or compensation plan or under applicable law.

19. General Provisions.

(a) Deductions and Withholdings. In the event of the termination of your employment for any reason, the Company reserves the right, to the extent permitted by law and in addition to any other remedy the Company may have, to deduct from any monies that are otherwise payable to you and that do not constitute deferred compensation within the meaning of Section 409A of the Code, the regulations promulgated thereunder or any related guidance issued by the U.S. Treasury Department ("Section 409A") all monies and the replacement value of any property you may owe to the Company at the time of or subsequent to the termination of your employment with the Company. The Company shall not make any such deduction from any amount that constitutes deferred compensation for purposes of Section 409A. To the extent any law requires an employee's consent to the offset provided in this paragraph and permits such consent to be obtained in advance, this Agreement shall be deemed to provide the required consent. Except as otherwise expressly provided in this Agreement or in any Company benefit plan, all amounts payable under this Agreement shall be paid in accordance with the Company's ordinary payroll practices less deductions and income and payroll tax withholding as may be required under applicable law. Any property (including shares of Viacom Inc. Class B Common Stock), benefits and perquisites provided to you under this Agreement, including, without limitation, COBRA payments made on your behalf, shall be taxable to you as provided by law.

(b) Cash and Equity Awards Modifications. Notwithstanding any other provisions of this Agreement to the contrary, the Company reserves the right to modify or amend unilaterally the terms and conditions of your cash compensation, stock option awards or other equity awards, without first asking your consent, to the extent that the Company considers such modification or amendment necessary or advisable to comply with any law, regulation, ruling, judicial decision, accounting standard, regulatory guidance or other legal requirement (the "Legal Requirement") applicable to such cash compensation, stock option awards or other equity awards, provided that, except where necessary to comply with law, such amendment does not have a material adverse effect on the value of such compensation award to you. In addition, the Company may, without your consent, amend or modify your cash compensation, stock option awards or other equity awards in any manner that the Company considers necessary or advisable to ensure that such cash compensation, stock option awards or other equity awards are not subject to United States federal income tax, state or local income tax or any equivalent taxes in territories outside the United States prior to payment, exercise, vesting or settlement, as applicable, or any tax, interest or penalties pursuant to Section 409A.

(c) Section 409A Provisions.

- (i) The Company may, without your consent, amend any provision of this Agreement to the extent that, in the reasonable judgment of the Company, such amendment is necessary or advisable to avoid the imposition on you of any tax, interest or penalties pursuant to Section 409A or otherwise to make this Agreement enforceable. Any such amendment shall maintain, to the maximum extent practicable, the original intent and economic benefit to you of the applicable provision.
- (ii) It is the intention and understanding of the parties that all amounts and benefits to which you become entitled under this Agreement will be paid or provided to you pursuant to a fixed schedule within the meaning of Section 409A. Notwithstanding such intention and understanding, in the event that you are a specified employee as determined by Viacom Inc. (a "Specified Employee") at the time of your Separation from Service (as defined below), then to the extent that any amount or benefit owed to you under this Agreement (x) constitutes an amount of deferred compensation for purposes of Section 409A and (y) is considered for purposes of Section 409A to be owed to you by virtue of your Separation from Service, then such amount or benefit shall not be paid or provided during the six (6) month period following the date of your Separation from Service and instead shall be paid or provided on the first day of the seventh month following your date of Separation from Service; *provided, however*, that such delay shall apply only to the extent that such payments and benefits, in the aggregate, exceed the lesser of an amount equal to (x) two (2) times your annualized compensation (as determined under the Code Section 409A regulations) and (y) two (2) times the applicable Code Section 401(a)(17) annual compensation limit for the year in which your termination occurs; *provided, further*, that any payments made during such six (6) month period shall first be made to cover all costs relating to medical, dental and life insurance coverage to which you are entitled under this Agreement and thereafter shall be made in respect of other amounts or benefits owed to you.

- (iii) As used herein, "Separation from Service" shall mean either (i) the termination of your employment with the Company and its affiliates, provided that such termination of employment meets the requirements of a separation of service determined using the default provisions set forth in Treasury Regulation §1.409A-(1)(h) or the successor provision thereto or (ii) such other date that constitutes a separation from service with the Company and its affiliates meeting the requirements of the default provisions set forth in Treasury Regulation §1.409A-(1)(h) or the successor provision thereto. For purposes of this definition, "affiliate" means any corporation that is in the same controlled group of corporations (within the meaning of Code Section 414(b)) as the Company and any trade or business that is under common control with the Company (within the meaning of Code Section 414(c)), determined in accordance with the default provision set forth in Treasury Regulation §1.409A-(1)(h)(3).
- (iv) If under any provision of this Agreement you become entitled to be paid Salary continuation, then each payment of Salary during the relevant continuation period shall be considered, and is hereby designated as, a separate payment for purposes of Section 409A (and consequently your entitlement to such Salary continuation shall not be considered an entitlement to a single payment of the aggregate amount to be paid during the relevant continuation period).
- (d) No Duplicative Payments. The payments and benefits provided in this Agreement in respect to the termination of employment and non-renewal of this Agreement are in lieu of any other salary, bonus or benefits payable by the Company, including, without limitation, any severance or income continuation or protection under any Viacom plan that may now or hereafter exist. All such payments and benefits shall constitute liquidated damages, paid in full and final settlement of all obligations of Viacom to you under this Agreement.
- (e) Payment of Bonus Compensation.
 - (i) The Bonus for any Company fiscal year under this Agreement shall be paid by March 15th of the following year.

- (ii) Except as otherwise expressly provided in this Agreement, your Bonus shall be prorated (A) to apply only to that part of the Company's fiscal year which falls within the Contract Period and (B) to the extent the Company's fiscal year is less than a 12-month fiscal year (a "Pro-Rated Bonus").
- (iii) Any Bonus or Pro-Rated Bonus payable pursuant to paragraphs 11, 13 or 14 shall be paid at the lesser of (X) your Target Bonus amount or (Y) your Target Bonus amount, adjusted based on the Company Performance Factor for the relevant year.

(f) Parachute Payment Adjustments. Notwithstanding anything herein to the contrary, in the event that you receive any payments or distributions, whether payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, that constitute "parachute payments" within the meaning of Section 280G of the Code, and the net after-tax amount of the parachute payment is less than the net after-tax amount if the aggregate payment to be made to you were three times your "base amount" (as defined in Section 280G(b)(3) of the Code) less \$1.00, then the aggregate of the amounts constituting the parachute payment shall be reduced to an amount that shall equal three times your base amount, less \$1.00. The determinations to be made with respect to this paragraph 19(f) shall be made by a certified public accounting firm designated by the Company and reasonably acceptable to you.

(g) Adjustments to Bonuses and Long-Term Incentive Compensation. Notwithstanding anything herein to the contrary, the Company shall be entitled to adjust the amount of any Bonus or any award of long-term incentive compensation if the financial statements of Viacom or the business unit on which the calculation or determination of the Bonus or award of long-term incentive compensation were based are subsequently restated and, in the judgment of the Company, the financial statements as so restated would have resulted in a smaller Bonus or long-term incentive compensation award if such information had been known at the time the Bonus or award had originally been calculated or determined. In addition, in the event of such a restatement: (i) the Company may require you, and you agree, to repay to the Company the amount by which the Bonus as originally calculated or determined exceeds the Bonus as adjusted pursuant to the preceding sentence; and (ii) the Company may cancel, without any payment therefor, the portion of any award of long-term incentive compensation that exceeds the award adjusted pursuant to the preceding sentence (or, if such portion of an award cannot be canceled because (x) in the case of stock options or other similar awards, you have previously exercised it, the Company may require you, and you agree, to repay to the Company the amount, net of any exercise price, that you realized upon exercise or (y) in the case of restricted share units or other similar awards, shares of Class B Common Stock were delivered to you in settlement of such award, the Company may require you, and you agree to return the shares of Class B Common Stock, or if such shares were sold by you, return any proceeds realized on the sale of such shares).

(h) Mediation. Prior to the commencement of any legal proceeding relating to your employment, you and the Company agree to attempt to mediate the dispute using a professional mediator from the American Arbitration Association ("AAA") or the International Institute for Conflict Prevention and Resolution ("CPR"). Within a period of 30 days after a written request for mediation by either you or the Company, the parties agree to convene with the mediator, for at least one session to attempt to resolve the matter. In no event will mediation delay commencement of any legal proceeding for more than 30 days absent agreement of the parties or prevent a bona fide application by either party to a court of competent jurisdiction for emergency relief. The fees of the mediator and of the AAA or CPR, as the case may be, shall be borne by the Company.

20. Additional Representations and Acknowledgments.

(a) No Acceptance of Payments. You represent that you have not accepted or given nor shall you accept or give, directly or indirectly, any money, services or other valuable consideration from or to anyone other than the Company or Viacom for the inclusion of any matter as part of any film, television, internet or other programming produced, distributed and/or developed by Viacom.

(b) Viacom Policies. You recognize that the Company is an equal opportunity employer. You agree that you shall comply with the Company's employment practices and policies, as they may be amended from time to time, and with all applicable federal, state and local laws prohibiting discrimination on any basis. In addition, you agree that you shall comply with the Viacom Global Business Practices Statement and Viacom's other policies and procedures, as they may be amended from time to time, and provide the certifications and conflict of interest disclosures required by the Viacom Global Business Practices Statement.

21. Notices. Notices under this Agreement must be given in writing, by personal delivery, regular mail or receipted email, 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 the Company, to the attention of Viacom Inc.'s General Counsel. Any notice given by regular mail shall be deemed to have been given three (3) days following such mailing.

22. Binding Effect; Assignment. This Agreement and rights and obligations of the Company hereunder shall not be assigned by the Company, provided that that the Company may assign this Agreement to any subsidiary or affiliated company of or any successor in interest to the Company provided that such assignee assumes all of the obligations of the Company and Viacom hereunder. This Agreement is for the performance of personal services by you and may not be assigned by you, except that the rights specified in Section 13 shall pass upon your death to your designated beneficiary (or, if there is no such beneficiary, your estate).

23. GOVERNING LAW AND FORUM. **You acknowledge that this agreement has been executed, in whole or in part, in New York. Accordingly, you agree that this Agreement and all matters or issues arising out of or relating to your employment with the Company 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.**

24. No Implied Contract. Nothing contained in this Agreement shall be construed to impose any obligation on the Company or you to renew this Agreement or any portion hereof or on the Company to establish or maintain any benefit, welfare or compensation plan or program or to prevent the modification or termination of any benefit, welfare or compensation plan or program or any action or inaction with respect to any such benefit, welfare or compensation plan or program. The parties intend to be bound only upon full execution of a written agreement by both parties and no negotiation, exchange of draft, partial performance or tender of an agreement (including any extension or renewal of this Agreement) executed by one party shall be deemed to imply an agreement or the renewal or extension of any agreement relating to your employment with the Company. Neither the continuation of employment nor any other conduct shall be deemed to imply a continuing agreement upon the expiration of the Contract Period.

25. Severability. In the event any provision or part of this Agreement is found to be invalid or unenforceable, only that particular provision or part so found, and not the entire Agreement, shall be inoperative.

26. Entire Understanding. This Agreement contains the entire understanding of the parties hereto relating to the subject matter contained in this Agreement, and, except as otherwise provided herein, can be modified only by a writing signed by both parties.

27. Supersedes Prior Agreements. With respect to the period covered by the Contract Period, this Agreement supersedes and cancels all prior agreements relating to your employment with the Company or Viacom.

Please confirm your understanding of the Agreement by signing and returning all four (4) copies of this Agreement. This document shall constitute a binding agreement between us only after it also has been executed by the Company and a fully executed copy has been returned to you.

Very truly yours,

VIACOM INC.

By: /s/ Denise White
Denise White
Executive Vice President,
Human Resources and Administration

ACCEPTED AND AGREED:

/s/ James W. Barge
James Barge

Dated: 9/29/10

James Barge
5 Grimes Road
Old Greenwich, CT 06870

This General Release of all Claims (this "Agreement") is entered into by James Barge (the "Executive") and Viacom Inc. (the "Company"), effective as of _____.

In consideration of the promises set forth in the letter agreement between the Executive and the Company, dated October 1, 2010 (the "Employment Agreement"), the Executive and the Company agree as follows:

1. Return of Property. All Company files, access keys and codes, desk keys, ID badges, computers, records, manuals, electronic devices, computer programs, papers, electronically stored information or documents, telephones and credit cards, and any other property of the Company in the Executive's possession must be returned no later than the date of the Executive's termination from the Company.

2. General Release and Waiver of Claims.

(a) Release. In consideration of the payments and benefits provided to the Executive under the Employment Agreement and after consultation with counsel, the Executive and each of the Executive's respective heirs, executors, administrators, representatives, agents, insurers, successors and assigns (collectively, the "Releasors") hereby irrevocably and unconditionally release and forever discharge the Company, its subsidiaries and affiliates and each of their respective officers, employees, directors, shareholders and agents ("Releasees") from any and all claims, actions, causes of action, rights, judgments, obligations, damages, demands, accountings or liabilities of whatever kind or character (collectively, "Claims"), including, without limitation, any Claims under any federal, state, local or foreign law, that the Releasors may have, or in the future may possess, arising out of (i) the Executive's employment relationship with and service as an employee, officer or director of the Company, Viacom (as defined in the Employment Agreement) or any subsidiaries or affiliated companies and the termination of such relationship or service, and (ii) any event, condition, circumstance or obligation that occurred, existed or arose on or prior to the date hereof and relates to your employment with Viacom; provided, however, that the Executive does not release, discharge or waive any rights to (i) payments and benefits provided under the Employment Agreement that are contingent upon the execution by the Executive of this Agreement or otherwise expressly survive termination thereof and (ii) any indemnification rights the Executive may have in accordance with the Company's governance instruments or under any director and officer liability insurance maintained by the Company with respect to liabilities arising as a result of the Executive's service as an officer and employee of the Company.

(b) Specific Release of ADEA Claims. In further consideration of the payments and benefits provided to the Executive under the Employment Agreement, the Releasors hereby unconditionally release and forever discharge the Releasees from any and all Claims that the Releasors may have as of the date the Executive signs this Agreement arising under the Federal Age Discrimination in Employment Act of 1967, as amended, including the Older Workers Benefit Protection Act of 1990 ("OWBPA"), and the applicable rules and regulations promulgated thereunder ("ADEA"). By signing this Agreement, the Executive hereby acknowledges and confirms the following: (i) the Executive was advised by the Company in connection with his termination to consult with an attorney of his choice prior to signing this Agreement and to have such attorney explain to the Executive the terms of this Agreement, including, without limitation, the terms relating to the Executive's release of claims arising under ADEA,

and the Executive has in fact consulted with an attorney; (ii) the Executive was given a period of not fewer than 21 days to consider the terms of this Agreement and to consult with an attorney of his choosing with respect thereto; (iii) the Executive knowingly and voluntarily accepts the terms of this Agreement; and (iv) the Executive is providing this release and discharge only in exchange for consideration in addition to anything of value to which the Executive is already entitled. The Executive also understands that he has seven (7) days following the date on which he signs this Agreement within which to revoke the release contained in this paragraph 2(b), by providing the Company a written notice of his revocation of the release and waiver contained in this paragraph 2(b); provided, however, that if the Executive exercises his right to revoke the release contained in this paragraph 2(b), the Executive shall not be entitled to any amounts paid to him under the termination provisions of the Employment Agreement and the Company may reclaim any such amounts paid to him and may terminate any benefits and payments that are subsequently due under the Employment Agreement, except as prohibited by the ADEA and OWBPA.

(c) No Assignment. The Executive represents and warrants that he has not assigned any of the Claims being released under this Agreement. The Company may assign this Agreement, in whole or in part, to any affiliated company or subsidiary of, or any successor in interest to, the Company.

3. Proceedings. The Executive has not filed, and agrees not to initiate or cause to be initiated on his behalf, any complaint, charge, claim or proceeding against the Releasees before any local, state or federal agency, court or other body relating to his employment or the termination of his employment, other than with respect to the obligations of the Company to the Executive under the Employment Agreement (each, individually, a "Proceeding"), and agrees not to participate voluntarily in any Proceeding. Notwithstanding the foregoing, the prohibitions in this paragraph 3 shall not apply to the Executive's right to file a charge with the Equal Employment Opportunity Commission ("EEOC") or similar local or state agency, or participate in an investigation conducted by such agency. The Executive waives any right he may have to benefit in any manner from any relief (whether monetary or otherwise) (i) arising out of any Proceeding and/or (ii) in connection with any claim pursued by any administrative agency, including but not limited to the EEOC, on the Executive's behalf and, in the event the Executive is awarded money, compensation or benefits, the Executive shall immediately remit such award to the Company.

4. Remedies. In the event the Executive initiates or voluntarily participates in any Proceeding in violation of this Agreement, or if he fails to abide by any of the terms of this Agreement or his post-termination obligations contained in the Employment Agreement, the Company may, in addition to any other remedies it may have, reclaim any amounts paid to him under the termination provisions of the Employment Agreement and terminate any benefits or payments that are subsequently due under the Employment Agreement, except as prohibited by the ADEA and OWBPA, without waiving the release granted herein. The Executive acknowledges and agrees that the remedy at law available to the Company for breach of any of his post-termination obligations under the Employment Agreement or his obligations under paragraphs 2 and 3 herein would be inadequate and that damages flowing from such a breach may not readily be susceptible to being measured in monetary terms. Accordingly, the Executive acknowledges, consents and agrees that, in addition to any other rights or remedies that the Company may have at law or in equity or as may otherwise be set forth in the Employment Agreement, the Company shall be entitled to seek a temporary restraining order or a preliminary or permanent injunction, or both, without bond or other security, restraining the Executive from breaching his post-termination obligations under the Employment Agreement or his obligations under paragraphs 2 and 3 herein. Such injunctive relief in any court shall be available to the Company, in lieu of, or prior to or pending determination in, any arbitration proceeding.

The Executive understands that by entering into this Agreement he shall be limiting the availability of certain remedies that he may have against the Company and limiting also his ability to pursue certain claims against the Company.

5. Severability Clause. In the event any provision or part of this Agreement is found to be invalid or unenforceable, only that particular provision or part so found, and not the entire Agreement, shall be inoperative.

6. Nonadmission. Nothing contained in this Agreement shall be deemed or construed as an admission of wrongdoing or liability on the part of the Company.

7. GOVERNING LAW AND FORUM. The Executive acknowledges that this agreement has been executed, in whole or in part, in New York. Accordingly, the Executive agrees that this Agreement and all matters or issues arising out of or relating to the Executive's employment with the Company 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

8. Notices. Notices under this Agreement must be given in writing, by personal delivery, regular mail or receipted email, 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 the Company, to the attention of Viacom Inc.'s General Counsel. Any notice given by regular mail shall be deemed to have been given three (3) days following such mailing.

THE EXECUTIVE ACKNOWLEDGES THAT HE HAS READ THIS AGREEMENT AND THAT HE FULLY KNOWS, UNDERSTANDS AND APPRECIATES ITS CONTENTS, AND THAT HE HEREBY EXECUTES THE SAME AND MAKES THIS AGREEMENT AND THE RELEASE AND AGREEMENTS PROVIDED FOR HEREIN VOLUNTARILY AND OF HIS OWN FREE WILL.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

VIACOM INC.

By: _____
Denise White
Executive Vice President,
Human Resources and Administration

THE EXECUTIVE

James Barge

Dated: _____

[PwC Letterhead]

November 11, 2010

Board of Directors
Viacom Inc.
1515 Broadway
New York, NY 10036

Dear Directors:

We are providing this letter to you for inclusion as an exhibit to your Form 10-K filing pursuant to Item 601 of Regulation S-K.

We have audited the consolidated financial statements included in the Company's Transition Report on Form 10-K for the nine months ended September 30, 2010 and issued our report thereon dated November 11, 2010. Note 2 to the financial statements describes a change in accounting principle related to the change in the timing of the Company's annual goodwill impairment test date from October 1 to August 31. It should be understood that the preferability of one acceptable method of accounting over another for a change in the annual goodwill impairment test date has not been addressed in any authoritative accounting literature, and in expressing our concurrence below we have relied on management's determination that this change in accounting principle is preferable. Based on our reading of management's stated reasons and justification for this change in accounting principle in the Form 10-K, and our discussions with management as to their judgment about the relevant business planning factors relating to the change, we concur with management that such change represents, in the Company's circumstances, the adoption of a preferable accounting principle in conformity with Accounting Standards Codification 250, *Accounting Changes and Error Corrections*.

Very truly yours,

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Subsidiaries of Viacom Inc.
(as of October 31, 2010)

<u>Subsidiary Name</u>	<u>Place of Incorporation or Organization</u>
BET	
BET Acquisition Corp.	Delaware
BET Arabesque, LLC	Delaware
BET Comic View II, LLC	Delaware
BET Creations, Inc.	Delaware
BET Development Company	Delaware
BET Documentaries, LLC	Delaware
BET Event Productions, LLC	Delaware
BET Holdings LLC	Delaware
BET Innovations Publishing, Inc.	Delaware
BET Interactive, LLC	Delaware
BET International, Inc.	Delaware
BET Live from LA, LLC	Delaware
BET Music Soundz, Inc.	Delaware
BET Oh Drama!, LLC	Delaware
BET Pictures II Development & Production, Inc.	Delaware
BET Pictures II Distribution, Inc.	Delaware
BET Pictures II, LLC	Delaware
BET Prime and Mike, LLC	Delaware
BET Production Services Inc.	Delaware
BET Productions II, Inc.	Delaware
BET Productions IV, LLC	Delaware
BET Productions V, Inc.	Delaware
BET Productions, LLC	Delaware
BET Publications, LLC	Delaware
BET Radio, L.L.C.	Delaware
BET Satellite Services, Inc.	Delaware
BET Services, Inc.	District of Columbia
BET The Way We Do It, LLC	Delaware
Black Entertainment Television LLC	District of Columbia
Breakdown Productions, LLC	Delaware
MPD Productions, LLC	Delaware
Sunday Best, LLC	Louisiana
CORPORATE	
Air Realty Corporation	Delaware
Air Realty LLC	Delaware
Meadowland Parkway Associates	New Jersey
MonkeyWurks LLC	Delaware
Netherlands Management Services LLC	Delaware
Netherlands Overseas Inc.	Delaware
Override Pictures LLC	Delaware
Paramount China B.V.	Netherlands
Paramount NMOC LLC	Delaware
Sammarnick Insurance Corporation	New York
Viacom (UK) Holdings Limited	United Kingdom
Viacom Canadian Holdings Inc.	Canada (Ontario)

<u>Subsidiary Name</u>	<u>Place of Incorporation or Organization</u>
Viacom Global (Netherlands) B.V.	Netherlands
Viacom Global Limited	United Kingdom
Viacom Global Services Inc.	Delaware
Viacom Hearty Ha!Ha! LLC	Delaware
Viacom International Administration Inc.	Delaware
Viacom International Inc.	Delaware
Viacom International Inc. Political Action Committee Corporation	New York
Viacom International Services Inc.	Delaware
Viacom Netherlands Management LLC	Delaware
Viacom Overseas Holdings C.V.	Netherlands
Viacom Realty Corporation	Delaware
Viacom Receivables Funding I Corporation	Delaware
Viacom Receivables Funding V Corporation	Delaware
Viacom Subsidiary Management Corp.	Delaware
Viacom Telecommunications LLC	Delaware
Viacom Ventures B.V.	Netherlands
Viacom Ventures Inc.	Delaware

MTVN

24th Floor Inc.	Canada (Ontario)
365Gay LLC	Delaware
37th Floor Productions Inc.	Delaware
38th Floor Productions Inc.	Delaware
Aardvark Productions, Inc.	Delaware
AfterL.com LLC	Delaware
Atom Digital Inc.	Delaware
Atom Entertainment, Inc.	Delaware
Awesomeness Inc.	Delaware
Babunga Inc.	Delaware
Beijing Yalian Online Network Technology Co. Ltd.	China
Big Shows Inc.	Delaware
Bling Productions Inc.	Delaware
Box Italy LLC, The	Delaware
Box Worldwide LLC, The	Delaware
Caballero Acquisition Inc.	Delaware
Central Productions LLC	Delaware
CMT Productions Inc.	Delaware
Comedy Partners	New York
Commerce Street Productions Inc.	Delaware
Country Music Television, Inc.	Tennessee
Country Network Enterprises, Inc.	Delaware
Country Services Inc.	Delaware
country.com, Inc.	Delaware
Creative Mix Inc.	Delaware
Daza Productions Inc.	Delaware
DL Development LLC	Delaware
DMS Holdco Inc.	Delaware
Express Lane Productions Inc.	Delaware
Famous Orange Productions Inc.	Delaware
Game One SAS	France
Games Animation Inc.	Delaware

<u>Subsidiary Name</u>	<u>Place of Incorporation or Organization</u>
Games Productions Inc.	Delaware
GameTrailers Corp.	Delaware
Harmonix Marketing Inc.	Delaware
Harmonix Music Systems, Inc.	Delaware
Harmonix Promotions & Events Inc.	Delaware
Hey Yeah Productions Inc.	Delaware
Hudson Street Productions, Inc.	Delaware
Imagine Radio, Inc.	California
Invisions Holding B.V.	Netherlands
King Street Productions Inc.	Delaware
Louisiana RPI LLC	Louisiana
MAD Production Trucking Company	Delaware
Mattalex Two LLC	Delaware
Milano Design Studio S.r.l.	Italy
Mischief New Media Inc.	New York
MoonMan Productions Inc.	Delaware
MTV Animation Inc.	Delaware
MTV Asia Development Company Inc.	Delaware
MTV Asia LDC	Cayman Islands
MTV Asia Ownership One	Cayman Islands
MTV Asia Ownership Two	Cayman Islands
MTV Asia Ventures (India) Pte. Limited	Mauritius
MTV Asia Ventures Co.	Cayman Islands
MTV Australia Inc.	Delaware
MTV Channel Espana S.L.U.	Spain
MTV DMS Inc.	Delaware
MTV Games Inc.	Delaware
MTV Hong Kong Limited	Hong Kong
MTV India	Cayman Islands
MTV Japan Inc.	Japan
MTV Networks AB	Sweden
MTV Networks Africa (Pty) Limited	South Africa
MTV Networks Argentina LLC	Delaware
MTV Networks Argentina S.R.L.	Argentina
MTV Networks Australia Pty Ltd	Australia (Victoria)
MTV Networks B.V.	Netherlands
MTV Networks Belgium BvbA	Belgium
MTV Networks Canada, ULC	Canada
MTV Networks Colombia S.A.S.	Colombia
MTV Networks Company	Delaware
MTV Networks de Mexico, S. de R.L. de C.V.	Mexico
MTV Networks Enterprises Inc.	Delaware
MTV Networks Europe	Delaware
MTV Networks Europe Inc.	Delaware
MTV Networks Germany GmbH	Germany
MTV Networks Global Services Inc.	Delaware
MTV Networks Holdings SARL	France
MTV Networks Japan G.K.	Japan
MTV Networks Latin America Inc.	Delaware
MTV Networks Ltda	Portugal
MTV Networks Music Productions Inc.	Delaware
MTV Networks New Zealand Limited	New Zealand

<u>Subsidiary Name</u>	<u>Place of Incorporation or Organization</u>
MTV Networks Nigeria Limited	Nigeria
MTV Networks On Campus Inc.	Delaware
MTV Networks Polska B.V.	Netherlands
MTV Networks Polska Sp.zoo	Poland
MTV Networks Polska V.O.F.	Netherlands
MTV Networks Productions B.V.	Netherlands
MTV Networks s.r.o.	Czech Republic
MTV Networks Sarl	France
MTV Networks Schweiz AG	Switzerland
MTV Networks Wallonia SPRL	Belgium
MTV Ownership (Portugal), LDA	Portugal
MTV Russia Holdings Inc.	Delaware
MTV Songs Inc.	Delaware
MTV Taiwan LDC	Cayman Islands
MTVBVI Inc.	Delaware
MTVi Group, Inc., The	Delaware
MTVi Group, L.P., The	Delaware
MTVN Direct Inc.	Delaware
MTVN Online Inc.	Delaware
MTVN Online Partner I Inc.	Delaware
MTVN Online Partner I LLC	Delaware
MTVN Social Gaming Inc.	Delaware
Music by Nickelodeon Inc.	Delaware
Music by Video Inc.	Delaware
N.V. Broadcasting (Canada) Inc.	Canada
NeoPets Prepaid Cards Inc.	Virginia
NeoPets, Inc.	Delaware
Network Enterprises, Inc.	Tennessee
New 38th Floor Productions Inc.	Delaware
New Country Services Inc.	Delaware
New Creative Mix Inc.	Delaware
New Games Productions Inc.	Delaware
New International Mix Inc.	Delaware
New Nickelodeon Animation Studios Inc.	Delaware
New Not Before 10AM Productions Inc.	Delaware
New Open Door Productions Inc.	Delaware
New Pop Culture Productions Inc.	Delaware
New Remote Productions Inc.	Delaware
Nick at Nite's TV Land Retromercials Inc.	Delaware
Nickelodeon Animation Studios Inc.	Delaware
Nickelodeon Asia Holdings Pte Ltd	Singapore
Nickelodeon Australia	Australia
Nickelodeon Australia Inc.	Delaware
Nickelodeon Australia Management Pty. Ltd.	Australia
Nickelodeon Brasil Inc.	Delaware
Nickelodeon Direct Inc.	Delaware
Nickelodeon Global Network Ventures Inc.	Delaware
Nickelodeon Huggings U.K. Limited	United Kingdom
Nickelodeon India Pvt Ltd	India
Nickelodeon International Limited	United Kingdom
Nickelodeon Magazines Inc.	Delaware
Nickelodeon Management Pty. Ltd.	Singapore

<u>Subsidiary Name</u>	<u>Place of Incorporation or Organization</u>
Nickelodeon Mauritius	Mauritius
Nickelodeon Movies Inc.	Delaware
Nickelodeon Notes Inc.	Delaware
Nickelodeon Online Inc.	Delaware
Nickelodeon U.K. Limited	United Kingdom
Nickelodeon UK Holdings LLC	Delaware
Noggin LLC	Delaware
Not Before 10am Productions Inc.	Delaware
NP Domains, Inc.	Delaware
NV International, Inc.	Georgia
O & W Corporation	Tennessee
On Second Thought Productions Inc.	Canada (British Columbia)
On-Site Productions Inc.	Delaware
OOO MTV Networks Entertainment Vostok	Russia
OOO MTV Networks Music Vostok	Russia
OOO MTV Networks Nick Vostok	Russia
OOO MTV Networks Vostok	Russia
Open Door Productions Inc.	Delaware
Outdoor Entertainment, Inc.	Tennessee
Paramount Comedy Channel Espana S.L.	Spain
Peanut Worm Productions Inc.	Delaware
Peppercorn Productions, Inc.	Tennessee
Pop Channel Productions Inc.	Delaware
Pop Culture Productions Inc.	Delaware
Pop Toons Inc.	Delaware
PT MTV Indonesia	Indonesia
RateMyProfessors.com International LLC	Delaware
RateMyProfessors.com LLC	Delaware
Remote Productions Inc.	Delaware
See Yourself Productions Inc.	Delaware
Servicios Para Empresas de Entretenimiento, S. de R.L. de C.V.	Mexico
Shockwave.com International, Inc.	Delaware
Shockwave.com SarL	Switzerland
Social Project LLC	Delaware
SonicNet LLC	Delaware
South Park Digital Studios LLC	Delaware
Speed Freaks Investco LLC	Louisiana
Speed Freaks Prodco LLC	Louisiana
Spike Cable Networks Inc.	Delaware
Spike Digital Entertainment LLC	Delaware
Study Hall Films Inc.	Delaware
Tagworld GmbH	Germany
The Box Holland B.V.	Netherlands
The Music Source, Inc.	Philippines
The Paramount UK Partnership (trading as Comedy Central)	United Kingdom
The Staying Alive Foundation Inc.	New York
Thunder, Inc.	Delaware
TNN Classic Sessions, Inc.	Delaware
TNN Productions, Inc.	Delaware
Tunes by Nickelodeon Inc.	Delaware
TV Land Canada Holding Inc.	Delaware
Uptown Productions Inc.	Delaware

<u>Subsidiary Name</u>	<u>Place of Incorporation or Organization</u>
URGE PrePaid Cards Inc.	Virginia
Viacom (Deutschland) Beteiligungen GmbH	Germany
Viacom Asia (Beijing) Advertising & Media Co. Ltd.	China
Viacom Asia Inc.	Delaware
Viacom Brand Solutions Limited	United Kingdom
Viacom Camden Lock Inc.	Delaware
Viacom Domains Limited	Canada (British Columbia)
Viacom Global Hungary Kft.	Hungary
Viacom Holdings Germany LLC	Delaware
Viacom International Hungary Kft.	Hungary
Viacom Networks Brasil Ltda.	Brazil
Viacom Networks Europe Inc.	Delaware
Viacom Networks Italia Limited	United Kingdom
Viacom Notes Inc.	Delaware
Viacom Songs Inc.	Delaware
Viacom Tunes Inc.	Delaware
VIVA Media Enterprises GmbH	Germany
VIVA Media GmbH	Germany
VIVA Music Fernsehen GmbH & Co. KG	Germany
VIVA Music Verwaltungs GmbH	Germany
VIVA Production Srl	Italy
VIVA Radio Beteiligungs GmbH	Germany
VIVA TV Productions Sp. z.o.o.	Poland
VIVA-connect GmbH	Germany
World Sports Enterprises	Tennessee
Wuthering Heights, CA Productions Inc.	Delaware
Z+ Holding Asset Management Ltd.	Hungary

PARAMOUNT

5555 Communications Inc.	Delaware
Adoy LLC	Delaware
After School Productions Inc.	Delaware
All About Productions LLC	Delaware
Animated Productions Inc.	Delaware
Artcraft Productions Inc.	Delaware
Asset Acquisition Group LLC	Delaware
Belhaven Limited	Bahamas
Benjamin Button Productions LLC	Louisiana
Beta Theatres Inc.	Delaware
Biscondi Sdn Bhd	Malaysia
Blackout Productions Inc.	Delaware
Blue Sea Productions, Inc.	Delaware
Blue/White Productions, Inc.	Delaware
BN Productions Inc.	Delaware
Bronson Avenue LLC	Delaware
Bronson Gate Film Management GmbH	Germany
Capital Equipment Leasing Limited	United Kingdom
CIC Home Video GmbH	Switzerland
Cinematic Arts B.V.	Netherlands
Cloverleaf Productions Inc.	Delaware
Columbus Circle Films LLC	Delaware
Cradle of Life Productions LLC	Delaware

<u>Subsidiary Name</u>	<u>Place of Incorporation or Organization</u>
CVV (Japan) B.V.	Netherlands
Danielle Productions LLC	Delaware
DIGICO Inc.	Delaware
Direct Court Productions, Inc.	Delaware
DTE Films LLC	Delaware
DW (Netherlands) B.V.	Netherlands
DW Distribution L.L.C.	Delaware
DW Dramatic Television L.L.C.	Delaware
DW Films L.L.C.	Delaware
DW Finance L.L.C.	Delaware
DW Funding, LLC	Delaware
DW Holdco LLC	Delaware
DW International Distribution L.L.C.	Delaware
DW International Productions L.L.C.	Delaware
DW Internet L.L.C.	Delaware
DW Music Publishing L.L.C.	Delaware
DW Music Publishing Nashville L.L.C.	Delaware
DW One Corp.	Delaware
DW Project Development L.L.C.	Delaware
DW SKG TV L.L.C.	Delaware
DW Studios L.L.C.	Delaware
DW Studios Productions L.L.C.	Delaware
DW Television Animation L.L.C.	Delaware
DW Television L.L.C.	Delaware
DW TV Finance I L.L.C.	Delaware
DW Two Corp.	Delaware
DWNZ Productions Limited	New Zealand
DWTT Productions Limited	New Zealand
Eighth Century Corporation	Delaware
Emily Productions LLC	Delaware
Failure To Launch Productions LLC	Louisiana
Famous Players International B.V.	Netherlands
Festival Inc.	Delaware
Films Paramount S.A.S.	France
Futa B.V.	Netherlands
Future General Corporation	Delaware
GC Productions Inc.	Delaware
Gladiator Productions L.L.C.	Delaware
Global Film Distributors B.V.	Netherlands
Grace Productions LLC	Delaware
Gramps Company Inc., The	Delaware
Hard Caliche LLC	New Mexico
High Command Productions Limited	United Kingdom
House of Yes Productions Inc.	Delaware
Joseph Productions Inc.	Delaware
Ladies Man Productions USA Inc.	Delaware
Last Holiday Productions LLC	Louisiana
Lisarb Holding B.V.	Netherlands
Little Boston Company Inc.	Delaware
Long Road Productions	Illinois
Magical Motion Pictures Inc.	Delaware
Magicam, Inc.	Delaware

<u>Subsidiary Name</u>	<u>Place of Incorporation or Organization</u>
Marathon Holdings Inc.	Delaware
Melange Pictures LLC	Delaware
Michaela Productions Inc.	Delaware
MTV S.A. LDC	Cayman Islands
Neutronium Inc.	Delaware
Newdon Productions	Illinois
Night Falls Productions Inc.	Delaware
NM Classics Inc.	Delaware
Paramount British Pictures Limited	United Kingdom
Paramount Canadian Productions, Inc.	Delaware
Paramount Digital Entertainment Inc.	Delaware
Paramount Films of Australia Inc.	Delaware
Paramount Films of China, Inc.	Delaware
Paramount Films of India, Ltd.	Delaware
Paramount Films of Italy, Inc.	New York
Paramount Films of Lebanon, Inc.	New York
Paramount Films of Southeast Asia Inc.	Delaware
Paramount Home Entertainment (Australasia) Pty. Limited	Australia
Paramount Home Entertainment (Brazil) Limitada	Brazil
Paramount Home Entertainment (Denmark) I/S	Denmark
Paramount Home Entertainment (Finland) Oy	Finland
Paramount Home Entertainment (France) S.A.S	France
Paramount Home Entertainment (Germany) GmbH	Germany
Paramount Home Entertainment (Italy) SRL	Italy
Paramount Home Entertainment (Mexico) S. de R.L. de C.V.	Mexico
Paramount Home Entertainment (Mexico) Services S. de R.L. de C.V.	Mexico
Paramount Home Entertainment (New Zealand) Limited	New Zealand
Paramount Home Entertainment (Norway) ANS	Norway
Paramount Home Entertainment (Sweden) AB	Sweden
Paramount Home Entertainment (UK)	United Kingdom
Paramount Home Entertainment B.V.	Netherlands
Paramount Home Entertainment Distribution Inc.	Delaware
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 Japan K.K.	Japan
Paramount LAPTIV Inc.	Delaware
Paramount Latin America SRL	Argentina
Paramount Licensing Inc.	Delaware
Paramount Overseas Productions, Inc.	Delaware
Paramount Pictures Australia Pty.	Australia
Paramount Pictures Brasil Distribuidora de Filmes Ltda	Brazil
Paramount Pictures Corporation	Delaware
Paramount Pictures Corporation (Canada) Inc.	Canada (Ontario)
Paramount Pictures Entertainment Canada Inc.	Canada (Ontario)
Paramount Pictures France (Productions) SAS	France
Paramount Pictures France Sarl	France
Paramount Pictures Germany GmbH	Germany

<u>Subsidiary Name</u>	<u>Place of Incorporation or Organization</u>
Paramount Pictures International Limited	United Kingdom
Paramount Pictures Louisiana Production Investments II LLC	Louisiana
Paramount Pictures Louisiana Production Investments III LLC	Louisiana
Paramount Pictures Louisiana Production Investments LLC	Louisiana
Paramount Pictures Mexico S de RL	Mexico
Paramount Pictures NZ	New Zealand
Paramount Pictures Services UK	United Kingdom
Paramount Pictures UK	United Kingdom
Paramount Production Support Inc.	Delaware
Paramount Productions (Japan) G.K.	Japan
Paramount Productions Service Corporation	Delaware
Paramount Spain S.L.	Spain
Paramount Worldwide Productions Inc.	Delaware
Park Court Productions, Inc.	Delaware
Pet II Productions Inc.	Delaware
PPC Film Management GmbH	Germany
PPG Holding 5 B.V.	Netherlands
PPG Holding 95 B.V.	Netherlands
Premiere House, Inc.	Delaware
Prime Directive Productions Inc.	Delaware
Screenlife Licensing, LLC	Nevada
Screenlife, LLC	Washington
SFI Song Company	Delaware
SKG Louisiana L.L.C.	Louisiana
SKG Music L.L.C.	Delaware
SKG Music Nashville Inc.	Delaware
SKG Music Publishing L.L.C.	Delaware
SKG Productions L.L.C.	Louisiana
SKG Studios Canada Inc.	Canada (Ontario)
Spelling Films Inc.	Delaware
Spelling Films Music Inc.	Delaware
Spelling Pictures Inc.	Delaware
Stepdude Productions LLC	Louisiana
Superstar Productions USA Inc.	Delaware
Talent Court Productions, Inc.	Delaware
Thinner Productions, Inc.	Delaware
Timeline Films Inc.	Canada (Ontario)
Untitled Productions II LLC	Delaware
Viacom Animation of Korea Inc.	Delaware
Viacom Canadian Productions Holdings Inc.	Canada (Ontario)
Viacom Limited	New Zealand
Wilshire Court Productions LLC	Delaware
Worldwide Productions, Inc.	Delaware
Yellams LDC	Cayman Islands
Zarina 99 Vermögensverwaltungs GmbH	Germany
Zoo Films LLC	Delaware

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Forms S-8 (No. 333-131040, No. 333-130905, No. 333-130881) and Form S-3 (No. 333-162962) of Viacom Inc. of our report dated November 11, 2010 relating to the consolidated financial statements, financial statement schedule and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
New York, New York
November 11, 2010

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 Keyes Hill-Edgar, severally and not jointly, to be his true and 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 Transition Report on Form 10-K for the fiscal year ended September 30, 2010 (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 said attorney-in-fact and agent, or his substitute or substitutes, shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto signed my name this 11th day of November, 2010.

/S/ GEORGE S. ABRAMS

George S. Abrams

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 Keyes Hill-Edgar, severally and not jointly, to be his true and 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 Transition Report on Form 10-K for the fiscal year ended September 30, 2010 (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 said attorney-in-fact and agent, or his substitute or substitutes, shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto signed my name this 11th day of November, 2010.

/s/ ALAN C. GREENBERG
Alan C. Greenberg

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 Keyes Hill-Edgar, severally and not jointly, to be his true and 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 Transition Report on Form 10-K for the fiscal year ended September 30, 2010 (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 said attorney-in-fact and agent, or his substitute or substitutes, shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto signed my name this 11th day of November, 2010.

/s/ ROBERT K. KRAFT
Robert K. Kraft

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 Keyes Hill-Edgar, severally and not jointly, to be his true and 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 Transition Report on Form 10-K for the fiscal year ended September 30, 2010 (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 said attorney-in-fact and agent, or his substitute or substitutes, shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto signed my name this 11th day of November, 2010.

/s/ BLYTHE J. MCGARVIE
Blythe J. McGarvie

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 Keyes Hill-Edgar, severally and not jointly, to be his true and 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 Transition Report on Form 10-K for the fiscal year ended September 30, 2010 (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 said attorney-in-fact and agent, or his substitute or substitutes, shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto signed my name this 11th day of November, 2010.

/S/ SHARI REDSTONE
Shari Redstone

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 Keyes Hill-Edgar, severally and not jointly, to be his true and 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 Transition Report on Form 10-K for the fiscal year ended September 30, 2010 (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 said attorney-in-fact and agent, or his substitute or substitutes, shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto signed my name this 11th day of November, 2010.

/s/ SUMNER M. REDSTONE

Sumner M. Redstone

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 Keyes Hill-Edgar, severally and not jointly, to be his true and 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 Transition Report on Form 10-K for the fiscal year ended September 30, 2010 (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 said attorney-in-fact and agent, or his substitute or substitutes, shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto signed my name this 11th day of November, 2010.

/s/ FREDERIC V. SALERNO
Frederic V. Salerno

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 Keyes Hill-Edgar, severally and not jointly, to be his true and 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 Transition Report on Form 10-K for the fiscal year ended September 30, 2010 (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 said attorney-in-fact and agent, or his substitute or substitutes, shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto signed my name this 11th day of November, 2010.

/S/ WILLIAM SCHWARTZ

William Schwartz

CERTIFICATION

I, Philippe P. Dauman, certify that:

1. I have reviewed this Transition Report on Form 10-K of Viacom Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 11, 2010

/s/ Philippe P. Dauman

President and Chief Executive Officer

CERTIFICATION

I, James W. Barge, certify that:

1. I have reviewed this Transition Report on Form 10-K of Viacom Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 11, 2010

/s/ James W. Barge
Executive Vice President, Chief Financial Officer

**Certification Pursuant to 18 U.S.C. Section 1350,
as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Transition Report of Viacom Inc. (the "Company") on Form 10-K for the period ended September 30, 2010 as filed with the Securities and Exchange Commission (the "Report"), I, Philippe P. Dauman, President and Chief Executive Officer of the Company, certify that to my knowledge:

1. the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Philippe P. Dauman

Philippe P. Dauman
November 11, 2010

This written statement is being furnished to the Securities and Exchange Commission as an exhibit to the Report. A signed original of this written statement required by Section 906 has been provided to Viacom Inc. and will be retained by Viacom Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**Certification Pursuant to 18 U.S.C. Section 1350,
as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Transition Report of Viacom Inc. (the "Company") on Form 10-K for the period ended September 30, 2010 as filed with the Securities and Exchange Commission (the "Report"), I, James W. Barge, Executive Vice President, Chief Financial Officer of the Company, certify that to my knowledge:

1. the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ James W. Barge

James W. Barge

November 11, 2010

This written statement is being furnished to the Securities and Exchange Commission as an exhibit to the Report. A signed original of this written statement required by Section 906 has been provided to Viacom Inc. and will be retained by Viacom Inc. and furnished to the Securities and Exchange Commission or its staff upon request.