

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT
PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1995 COMMISSION FILE NUMBER 1-9553

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

Delaware
(State or Other Jurisdiction of
Incorporation Or Organization)

04-2949533
(I.R.S. Employer
Identification No.)

1515 Broadway, New York, NY 10036
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code (212) 258-6000

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

Title of Each Class Name of Each Exchange on Which Registered

Class A Common Stock, \$0.01 par value	American Stock Exchange
Class B Common Stock, \$0.01 par value	American Stock Exchange
Warrants Expiring on July 7, 1997	American Stock Exchange
Warrants Expiring on July 7, 1999	American Stock Exchange
6.625% Senior Notes due 1998	New York Stock Exchange
6.75% Senior Notes due 2003	American Stock Exchange
7.75% Senior Notes due 2005	American Stock Exchange
8% Exchangeable Subordinated Debentures due 2006	American Stock Exchange
7.625% Senior Debentures due 2016	American Stock Exchange

Securities Registered Pursuant To Section 12(G) of the Act:

None
(Title Of Class)

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

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

As of March 22, 1996, 75,099,274 shares of Viacom Inc. Class A Common Stock, \$0.01 par value ("Class A Common Stock"), and 294,853,114 shares of Viacom Inc. Class B Common Stock, \$0.01 par value ("Class B Common Stock"), were outstanding. The aggregate market value of the shares of Class A Common Stock (based upon the closing price of \$40.875 per share as reported by the American Stock Exchange on that date) held by non-affiliates was approximately \$1,207,943,150 and the aggregate market value of the shares of the Class B Common Stock (based upon the closing price of \$41.75 per share as reported by the American Stock Exchange on that date) held by non-affiliates was approximately \$10,366,032,214.

DOCUMENTS INCORPORATED BY REFERENCE

The Definitive Proxy of the Registrant for the 1996 Annual Meeting of Shareholders (Part III to the extent described herein).

Part I

Item 1. Business.
Background

Viacom Inc. (together with its subsidiaries and divisions, unless the context otherwise requires, the "Company") is a diversified entertainment and publishing company with operations in five segments: (i) Networks and Broadcasting, (ii) Entertainment, (iii) Video and Music/Theme Parks, (iv) Publishing, and (v) Cable Television. Through the Networks and Broadcasting segment, the Company operates MTV: MUSIC TELEVISION(R), SHOWTIME(R), NICKELODEON(R)/NICK AT NITE(R) and VH1 MUSIC FIRST(TM), among other program services, and 12 broadcast television stations and 12 radio stations. Through the Entertainment segment, which includes PARAMOUNT PICTURES(R) and the Company's approximately 75%-owned subsidiary SPELLING ENTERTAINMENT GROUP INC. ("SPELLING"), the Company produces and distributes theatrical motion pictures and television programming. Through the Video and Music/Theme Parks segment, which includes the BLOCKBUSTER(R) family of businesses and PARAMOUNT PARKS(R), the Company is the leading worldwide owner, operator and franchiser of videocassette rental and sales stores and a leading owner and operator of music stores in the U.S. In addition, PARAMOUNT PARKS owns and operates five theme parks and one water park in the U.S. and Canada. Through the Publishing segment, which includes SIMON & SCHUSTER(R), MACMILLAN PUBLISHING USA(TM) and PRENTICE HALL(R), the Company publishes and distributes educational, consumer, business, technical and professional books, and audio-video software products. Through the Cable Television segment, the Company operates cable television systems serving approximately 1.2 million customers.

The Company was organized in Delaware in 1986 for the purpose of acquiring Viacom International Inc. ("Viacom International"). On March 11, 1994, the Company acquired a majority of outstanding shares of Paramount Communications Inc. ("Paramount Communications") by tender offer; on July 7, 1994, Paramount Communications became a wholly owned subsidiary of the Company, and, on January 3, 1995, Paramount Communications was merged into Viacom International. On September 29, 1994, Blockbuster Entertainment Corporation merged with and into the Company (the "Blockbuster Merger"). During July 1995, the Company announced an agreement to split-off its cable systems to its shareholders through a "dutch auction" exchange offer and the subsequent investment in and acquisition of all of the common stock of such entity by a subsidiary of Tele-Communications, Inc. immediately following the split-off. The exchange offer and related transactions are subject to several conditions, including regulatory approvals, receipt of a tax ruling and consummation of the exchange offer. The Company is currently exploring the sale of SPELLING and the related purchase of SPELLING's subsidiary, VIRGIN INTERACTIVE ENTERTAINMENT LIMITED ("VIRGIN INTERACTIVE"). On March 10, 1995, the Company sold Madison Square Garden Corporation for closing proceeds of approximately \$1.009 billion, representing the sale price of approximately \$1.075 billion, less an approximately \$66 million working capital adjustment. The net after-tax proceeds of the sale were used to repay indebtedness.

As of March 1, 1996, National Amusements, Inc. ("NAI"), a closely held corporation that owns and operates more than 1,000 movie screens in the U.S. and

the U.K., owned approximately 61% of the Company's voting Class A Common Stock ("Class A Common Stock"), and approximately 25% of the Company's outstanding Class A Common Stock and non-voting Class B Common Stock ("Class B Common

Stock") on a combined basis. NAI is not subject to the informational filing requirements of the Securities Exchange Act of 1934, as amended. Sumner M. Redstone, the controlling shareholder of NAI, is the Chairman of the Board and Chief Executive Officer of the Company.

The Company's principal offices are located at 1515 Broadway, New York, New York 10036 (telephone 212/258-6000). At December 31, 1995, the Company and its affiliated companies employed approximately 81,700 people, of which approximately 36,500 were full-time salaried employees.

Business

Networks and Broadcasting

Networks. The Company owns and operates advertiser-supported basic cable television program services and premium subscription television program services in the U.S. and internationally. The MTV Networks division ("MTVN") includes such owned and operated program services as MTV: MUSIC TELEVISION(R) ("MTV") in the U.S., MTV(TM) in Europe ("MTV EUROPE") and in Latin America ("MTV LATINO"), NICKELODEON(R), NICK AT NITE(R), VH1 MUSIC FIRST(TM) (in the U.S., "VH1"), and VH-1(TM) in the U.K., as well as program services in which MTVN participates as a joint venturer, including MTV(TM) in ASIA ("MTV ASIA"), NICKELODEON(TM) and THE PARAMOUNT CHANNEL(TM) in the U.K., NICKELODEON(TM) in Australia ("NICKELODEON AUSTRALIA"), and NICKELODEON(TM) and VH-1(TM) in Germany. Showtime Networks Inc. ("SNI") owns and operates SHOWTIME(R), THE MOVIE CHANNEL(TM) and FLIX(TM), and participates as a joint venturer in SUNDANCE CHANNEL(TM), a premium subscription television program service which launched on February 29, 1996. Additionally, the Company participates as a joint venturer in four advertiser-supported basic cable program services: USA NETWORK(TM) and the SCI-FI CHANNEL(TM) (both of which are operated by USA Networks), COMEDY CENTRAL(TM), and ALL NEWS CHANNEL(TM). The Company also packages satellite-delivered program services for distribution to TVRO subscribers in the U.S. through SHOWTIME SATELLITE NETWORKS(TM).

Generally, the Company's Networks are offered to customers of cable television operators, distributors of direct-to-home satellite services ("DTH") and other multichannel distributors. DTH distributors provide service by either low-powered C-Band satellite technology (received by large satellite dishes at customers' premises, "TVRO") or mid-to high-powered K-Band satellite technology (received by smaller satellite dishes at customers' premises, "DBS") (TVRO and DBS, together, "DTH"). Cable television operators are currently the predominant distributors of the Company's Networks in the U.S. Internationally, the predominant distribution technology varies territory by territory.

MTV Networks. MTV targets viewers from the ages of 12 to 34 with programming that consists primarily of music videos and concerts, augmented by

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music and general lifestyle information, comedy and dramatic series, news specials, interviews, documentaries and other youth-oriented programming. Additionally, international MTV program services are regionally customized to suit the local tastes of their young adult viewers by the inclusion of local music, programming, and on-air personalities, and use of the local language.

MTV has expanded its business opportunities based on its programming to include, among other enterprises, MTV ONLINE(TM) which provides promotional opportunities for MTV and its programming; the MTV RADIO NETWORK(TM), which MTV licenses to Westwood One Entertainment for syndication in the U.S. and which features exclusive concert simulcasts, music information and MTV shows; an MTV line of home videos, merchandise, interactive products and books, and electronic retailing programs. MTV also pursues broadcast network and first-run syndication television opportunities and motion picture development and production through its MTV Productions business unit. The first two motion pictures produced through MTV Productions are to be released in 1996, JOE'S APARTMENT(TM) which is based on MTV programming and is to be released through Geffen Pictures/Warner

Bros., and a film featuring MTV's Beavis & Butt-Head characters to be released through PARAMOUNT PICTURES. MTV has joined with POCKET BOOKS(TM), a division of SIMON & SCHUSTER, in a venture under which books are published under an MTV BOOKS imprint for the youth market. MTV has reintroduced its "Choose or Lose" political awareness campaign for the 1996 presidential election, consisting of news specials, interviews with the candidates and weekly coverage of the primary season, designed to educate and inform young viewers about the political process.

MTV was licensed to approximately 59.6 million domestic subscribers at December 31, 1995 (based on subscriber counts provided by each distributor of the service). According to the December 1995 sample reports issued by the A.C. Nielsen Company (the "Nielsen Report"), MTV reached approximately 63.2 million domestic subscriber households.

MTV EUROPE is designed to particularly attract the European youth market by providing a high percentage of European-sourced youth programming, featuring music videos, and including coverage of fashion, movies, news, trends and social issues. MTV EUROPE is distributed in Europe and certain countries in the former Soviet Union and the Middle East. Based on subscriber counts provided by distributors of the service, MTV EUROPE reached approximately 51.5 million subscribers at December 31, 1995. In 1995, MTV encrypted its service in Europe in order to maximize subscription revenues.

MTV LATINO is customized for Spanish-speaking viewers in approximately 20 countries in Latin America and in the U.S. MTV LATINO was distributed to approximately 6.5 million subscribers, including 668,000 U.S. subscribers at December 31, 1995 (based on subscriber counts provided by each distributor of the service).

MTV ASIA is operated by a joint venture of the Company and PolyGram Asia L.L.C., which was launched in the second quarter of 1995, and reached approximately 29.5 million subscribers throughout Asia at December 31, 1995 (based on subscriber counts provided by each distributor of the service). MTV ASIA consists of two separate satellite feeds, one primarily in Mandarin, the other primarily in English.

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MTVN has licensing arrangements covering the distribution of regionally-specific program services in Brazil and Japan. MTVN also licenses MTV programs, merchandise and format rights worldwide. The Company has also entered into a joint venture agreement for the development and launch of DTH programming packages anticipated to be available in the Middle East in April 1996, including programming from MTV, VH-1, NICKELODEON, THE PARAMOUNT CHANNEL (described below), and a new premium subscription movie-based program service managed by SNI called THE MOVIE CHANNEL, among other services.

NICKELODEON combines acquired and originally produced programs in a pro-social, non-violent format comprising two distinct program units tailored to age-specific demographic audiences: NICKELODEON, targeted to audiences ages 2 to 14 (which includes NICK JR.(TM), a program block designed for 2 to 5 year olds), features live-action, animation and original children's game shows; and NICK AT NITE, which primarily attracts audiences ages 18 to 49 and offers "Classic TV"(TM) shows from various eras, including THE DICK VAN DYKE SHOW, THE MARY TYLER MOORE SHOW and TAXI. At December 31, 1995, NICKELODEON/NICK AT NITE was licensed to approximately 61.7 million domestic subscribers (based on subscriber counts provided by each distributor of the service). According to the Nielsen Report, NICKELODEON and NICK AT NITE each reached approximately 65 million subscriber households. In 1996, the Company plans to launch NICK AT NITE'S TV LAND(TM), a 24-hour, seven-days-a-week program service comprised of a broad range of well-known television programs from various genres. Upon launch, NICK AT NITE'S TV LAND will feature a wide range of genres including comedies, dramas, westerns, variety and other formats from the 1950s through the 1980s while NICK AT NITE programs will remain primarily comedies. NICKELODEON conducts its brand and character licensing programs in the U.S. and international markets by entering into merchandising agreements throughout the world. Additionally,

the Company publishes a monthly NICKELODEON MAGAZINE, which had approximately 481,000 subscribers at December 31, 1995; launched NICKELODEON ONLINE(TM) which offers original content for children including live events, games and videoclips; launched NICK AT NITE ONLINE(TM), an online resource regarding classic television and pop culture; and created NICKELODEON MOVIES(TM), a new unit, which is developing a mix of story and character-driven projects based on original ideas and NICKELODEON programming, including the upcoming feature film, HARRIET THE SPY(TM), which is being co-produced with PARAMOUNT PICTURES and is expected to be released in 1996.

NICKELODEON in the U.K. is a joint venture of the Company and British Sky Broadcasting Limited ("BSkyB") and is a 13-hour weekday and 12-hour weekend, satellite-delivered children's television program service. On November 1, 1995, PARAMOUNT PICTURES and NICKELODEON, in a joint venture with BSKyB, launched THE PARAMOUNT CHANNEL in the U.K., which features comedies, dramas, light documentaries and films during the daypart following the NICKELODEON in the U.K. program segment. NICKELODEON in Australia is operated by a joint venture of the Company and XYZ Entertainment Pty Ltd. (which is owned by Foxtel, Century Communications Corp. and United International Holdings Inc.) and is a subscription television program service which launched in October 1995. NICKELODEON in Germany, which launched in July 1995, is a joint venture of the Company, The Bear Stearns Companies Inc. ("Bear Stearns") and Ravensburger Film

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& TV GmbH. This joint venture has required the receipt of certain regulatory approvals. The international NICKELODEON services deliver children's programming which generally includes U.S. NICKELODEON programming, acquired programming (including locally produced programs) and original programming produced by NICKELODEON and the applicable joint venture.

VH1 presents music videos, long-form music-based series and specials, original concerts, music-based news and information, artist interviews and fashion, and targets an audience from the ages of 25 to 44. At December 31, 1995, VH1 was licensed to approximately 51 million domestic subscribers (based on subscriber counts provided by each distributor of the service). According to the Nielsen Report, VH1 reached approximately 53.2 million domestic subscriber households. In 1995, VH1 launched VH1 ONLINE(TM) giving viewers the opportunity to go behind the scenes at VH1 special events, chat with VH1 artists and learn more about VH1 programming. VH-1 in the U.K. was launched in September 1994 and was distributed to approximately 4.3 million viewers in the U.K. and Ireland as of December 31, 1995 (based on subscriber counts provided by each distributor of the service). VH-1 in Germany, launched in March 1995, is a joint venture of the Company and Bear Stearns. This joint venture has required the receipt of certain regulatory approvals.

MTVN, in exchange for cash and advertising time or for promotional consideration only, licenses from record companies music videos for exhibition on MTV, VH1 and other MTVN program services. The agreements generally provide for a license period of three to five years, and in the U.S., that videos are available for debut by MTVN and are subject to exclusive exhibition periods on MTV. MTVN has entered into multi-year global music video licensing agreements with certain record companies. MTVN also has shorter term and regional clip licensing arrangements with other record companies. MTVN is negotiating and expects to conclude additional license agreements with independent labels and additional global music video license agreements with major international labels. However, there can be no assurance that such agreements can be concluded on favorable terms. MTVN is continuing to take measures to assure access to music videos worldwide. (See "Business--Competition--Networks")

MTVN derives revenues principally from two sources: the sale of time on its own networks to advertisers and the license of the networks to cable television operators, DTH and other distributors. The sale of MTVN advertising time is affected by viewer demographics, viewer ratings and market conditions for advertising time. Adverse changes in general market conditions for advertising may affect MTVN's revenues. (See "Business--Competition--Networks")

Showtime Networks Inc. SNI operates three commercial-free, premium subscription television program services: SHOWTIME, offering recently released theatrical feature films, drama and comedy series, boxing events, and original movies; THE MOVIE CHANNEL, offering recently released theatrical films and related programming including film festivals; and FLIX, an added-value program service featuring theatrical movies primarily from the 1960s, 70s and 80s. At December 31, 1995, SHOWTIME, THE MOVIE CHANNEL and FLIX, in the aggregate, had approximately 14.8 million cable and other subscribers in 50 states and certain U.S. territories. SUNDANCE CHANNEL, a joint venture among SNI, an affiliate of Robert Redford and an affiliate of PolyGram Filmed Entertainment Distribution

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Inc., which is managed and operated by SNI, launched on February 29, 1996. SUNDANCE CHANNEL is a commercial-free 24-hour, seven-days-a-week premium subscription service, dedicated to independent film, featuring top-quality American independent films, documentaries, foreign and classic art films, shorts and animation, with an emphasis on recently released premium titles. The Company has also entered into a joint venture agreement for the development and launch of DTH programming packages anticipated to be available in the Middle East in April 1996, including a new premium subscription movie-based program service called THE MOVIE CHANNEL, which is managed by SNI, and programming from MTV EUROPE, VH-1, NICKELODEON and THE PARAMOUNT CHANNEL, among other services.

SNI also provides special events, such as sports events, to licensees on a pay-per-view basis. In March 1995, SNI entered into an exclusive multi-year agreement with former heavyweight champion Mike Tyson and Don King Productions, Inc. for SHOWTIME EVENT TELEVISION's pay-per-view marketing and distribution of Mike Tyson's fights over three years. SHOWTIME EVENT TELEVISION(TM) is a pay-per-view distributor of special events, including boxing events. In addition, SNI, through its subsidiary, SHOWTIME SATELLITE NETWORKS INC., packages for distribution to TVRO viewers the Company's wholly owned program services, as well as COMEDY CENTRAL, USA NETWORK, the SCI-FI CHANNEL, and certain third-party program services.

In order to exhibit theatrical motion pictures on premium subscription television, SNI enters into commitments to acquire rights, with an emphasis on acquiring exclusive rights for SHOWTIME and THE MOVIE CHANNEL, from major or independent motion picture producers and other distributors. SNI's exhibition rights cover the U.S. and may, on a contract-by-contract basis, cover additional territories. In addition to SNI's other theatrical motion picture license agreements, SNI recently entered into agreements with PolyGram Filmed Entertainment Distribution Inc. under which SNI will acquire the exclusive U.S. premium television rights to up to 100 of PolyGram's feature titles initially theatrically released in the U.S. through the year 2001; with PARAMOUNT PICTURES to acquire the exclusive U.S. premium television rights to up to 196 of PARAMOUNT PICTURES' feature films, commencing with feature films initially theatrically released in the U.S. in 1998 for a minimum seven-year period, as well as 300 titles from its film library (see "Business--Entertainment"); and with Phoenix Pictures, a new feature film production and distribution company headed by Mike Medavoy, to acquire the exclusive U.S. premium television rights to up to 40 of Phoenix Pictures' films initially theatrically released in the U.S. through the end of 2002, and to acquire an approximate 11% equity investment in Phoenix Pictures. Theatrical motion pictures are generally exhibited first on SHOWTIME and THE MOVIE CHANNEL after an initial period for theatrical, home video and pay-per-view exhibition and before the period has commenced for standard broadcast television and basic cable television exhibition. Many of the motion pictures which appear on FLIX have been previously available for standard broadcast and other exhibitions.

SNI also arranges for the development, production and, in many cases, distribution of original programs and motion pictures. These original programs and motion pictures premiere in the U.S. on SHOWTIME, unless they are previously theatrically released. Such programming is also exploited in various media worldwide. As part of its original programming strategy, SNI intends to produce

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or acquire approximately 50 SHOWTIME original movies in 1996. SNI has entered into and plans to continue to enter into co-financing, co-production and/or distribution arrangements with other parties to reduce the net cost to SNI for all of its original movies.

The cost of acquiring premium television rights to programming is the principal expense of SNI. At December 31, 1995, in addition to program acquisition commitments reflected in the Company's financial statements, SNI had commitments to acquire programming rights and original programming commitments in an aggregate amount of approximately \$2 billion, most of which is payable over the next six years as part of SNI's normal programming expenditures. SNI's commitments to acquire programming rights are contingent upon delivery of motion pictures which are not yet available for premium television exhibition and, in many cases, have not yet been produced.

Other Joint Ventures. USA Networks, a joint venture of the Company and MCA, Inc. ("MCA"), operates two advertiser-supported basic cable television program services in the U.S.: USA NETWORK, a general entertainment and sports channel, and the SCI-FI CHANNEL, a science fiction channel. Internationally, USA Networks operates USA NETWORK in Latin America and the SCI-FI CHANNEL in Europe. COMEDY CENTRAL, a joint venture of the Company and Home Box Office ("HBO"), a division of Time Warner, is an advertiser-supported basic cable television comedy program service. ALL NEWS CHANNEL, a joint venture of the Company and Conus Communications Company Limited Partnership, a limited partnership whose managing general partner is Hubbard Broadcasting, Inc., consists of national and international news, weather, sports and business news.

Broadcasting. The Company owns and operates 12 television stations and 12 radio stations. All of these television and radio stations operate pursuant to the Communications Act of 1934, as amended (the "Communications Act"), and licenses granted by the Federal Communications Commission ("FCC"). Under the Telecommunications Act of 1996 (the "1996 Telecommunications Act") which was signed into law on February 8, 1996 and, upon its implementation by the FCC, licenses will be renewable every eight years. Until such implementation, licenses are renewable every five years in the case of television stations and every seven years in the case of radio stations.

The Company's strategy has been to acquire independent television stations in major U.S. markets to the extent advantageous in conjunction with the Company's formation of the United Paramount Network(TM) ("UPN") (see "Business--Entertainment"). The Company acquired WUPA-TV (formerly WVEU-TV), serving Atlanta, Georgia, on September 1, 1995; WPSG-TV (formerly WGBS-TV), serving Philadelphia, Pennsylvania, on August 25, 1995; WBFS-TV, serving Miami-Fort Lauderdale, Florida, on August 3, 1995; and WSBK-TV, serving Boston, Massachusetts, on March 7, 1995. The Company sold KSLA-TV, a CBS affiliated station serving Shreveport, Louisiana, on September 1, 1995; WTXF-TV, a Fox Network affiliated station serving Philadelphia, Pennsylvania, on August 25, 1995; KRRT-TV, a Fox Network affiliated station serving San Antonio, Texas, on August 3, 1995; and WLFL-TV, a Fox affiliated station serving Raleigh/Durham, North Carolina, on January 17, 1995. The table below sets forth a list of the 12 television properties owned and operated by the Company at March 1, 1996.

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Station and Metropolitan Area Served*	Market Rank	Type	Network Affiliation and Expiration Date of Affiliation Agreement
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WPSG-TV Philadelphia, PA	4	UHF	UPN/January 16, 1998
WSBK-TV Boston, MA	6	UHF	UPN/January 16, 1998
WDCA-TV Washington, DC	7	UHF	UPN/January 16, 1998
KTXA-TV			

Dallas-Ft. Worth, TX WKBD-TV	8	UHF	UPN/January 16, 1998
Detroit, MI WUPA-TV	9	UHF	UPN/January 16, 1998
Atlanta, GA KTXH-TV	10	UHF	UPN/January 16, 1998
Houston, TX WBFS-TV	11	UHF	UPN/January 16, 1998
Miami-Ft. Lauderdale, FL KMOV-TV	16	UHF	UPN/January 16, 1998
St. Louis, MO WVIT-TV	20	VHF	CBS/December 31, 1996
Hartford-New Haven, CT WNYT-TV	26	UHF	NBC/February 1, 2002
Albany-Schenectady-Troy, NY WHEC-TV	52	VHF	NBC/February 1, 2002
Rochester, NY	71	VHF	NBC/February 1, 2002

*Metropolitan Areas Served are A.C. Nielsen Company's Designated Market Areas

The Company owns and operates the following 12 radio stations: WLTW-FM, serving New York, New York (Adult Contemporary); KYSR-FM and KXEZ-FM, each serving Los Angeles, California (Adult Contemporary); WLIT-FM, serving Chicago, Illinois (Adult Contemporary); WLTI-FM, serving Detroit, Michigan (Adult Contemporary), WMZQ-AM/FM (Country), WJZW-FM (Jazz) and WBZS-AM (Business News), each serving Washington, D.C.; KBSG-AM/FM, serving Seattle/Tacoma, Washington (Oldies); and KNDD-FM, serving Seattle, Washington (Modern Rock). The Company has undertaken to divest two stations in the Washington, D.C. market as a result of multiple ownership issues arising from the acquisition of Paramount Communications (see "Business--Regulation--Broadcasting"). The Company has requested a temporary waiver of this obligation from the FCC until such time as the FCC completes its pending review of local ownership limitations. Depending on the outcome of that review, the Company may request a permanent waiver of this undertaking. In March 1996, the Company entered into agreements which will result in the exchange of KBSG-AM/FM and KNDD-FM for WAXQ-FM, serving New York, New York. On March 22, 1995, the Company sold KSOL-FM, serving San Francisco, California, and KYLZ-FM, serving Santa Cruz/San Jose, California.

Entertainment

The Entertainment segment's principal businesses are the production and distribution of motion pictures and television programming as well as movie theater operations and new media and interactive services.

Theatrical Motion Pictures. Through PARAMOUNT PICTURES, the Company produces, finances and distributes feature motion pictures. Motion pictures are produced by PARAMOUNT PICTURES, produced by independent producers and financed in whole or in part by PARAMOUNT PICTURES, or produced by others and distributed by PARAMOUNT PICTURES. Each picture is a separate and distinct product with its financial success dependent upon many factors, among which cost and public response are of fundamental importance. The normal distribution cycle of motion pictures produced or acquired for distribution by PARAMOUNT PICTURES is exhibition in U.S. and foreign theaters followed by videocassettes and discs, pay-per-view television, premium subscription television, network television, and basic cable television and syndicated television exploitation. During 1995, PARAMOUNT PICTURES theatrically released 14 feature motion pictures in the U.S., including, BRAVEHEART, winner of five Academy Awards including "Best Picture", CONGO, CLUELESS, THE BRADY BUNCH MOVIE and SABRINA. PARAMOUNT PICTURES plans to release approximately 20 films in 1996, including MISSION: IMPOSSIBLE, STAR TREK GENERATIONS II, THE GHOST AND THE DARKNESS, PRIMAL FEAR, BEAVIS AND BUTT-HEAD and HARRIET THE SPY, which is being co-produced with NICKELODEON.

In seeking to maximize PARAMOUNT PICTURES' output while limiting its financial exposure, the Company has from time to time entered into agreements to distribute films produced and/or financed, in whole or in part, with other

parties. For example, entities associated with the Company have agreements with companies with which Michael Douglas and Steven Reuther are associated for the production and/or financing of 12 films over a term of no less than four years. PARAMOUNT PICTURES also has an agreement with Lakeshore Entertainment Corporation ("Lakeshore") for the distribution by PARAMOUNT PICTURES of 15 films to be produced by Lakeshore over five years.

PARAMOUNT PICTURES generally distributes its motion pictures for theatrical release outside the U.S. and Canada through United International Pictures ("UIP"), a company owned by entities associated with the Company, MGM and MCA. PARAMOUNT PICTURES distributes its motion pictures on videocassette and disc in the U.S. and Canada through PARAMOUNT HOME VIDEO and outside the U.S. and Canada, generally through Cinema International B.V., a joint venture of entities associated with the Company and MCA. PARAMOUNT PICTURES has an exclusive premium subscription television agreement with HBO for exhibition of PARAMOUNT PICTURES' new releases on U.S. premium subscription television, which includes new PARAMOUNT PICTURES motion pictures released theatrically through December 1997. PARAMOUNT PICTURES has licensed to SNI for exhibition on SHOWTIME and THE MOVIE CHANNEL the exclusive U.S. premium subscription television rights to up to 196 of PARAMOUNT PICTURES' feature films, commencing with feature films initially theatrically released in the U.S. in 1998 for a minimum seven-year period, as well as 300 titles from its film library. PARAMOUNT PICTURES also distributes its motion pictures for premium subscription television release

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outside the U.S. and Canada, in part through UIP, and licenses its motion pictures to home and hotel/motel pay-per-view, airlines, schools and universities. In addition, PARAMOUNT PICTURES is a joint venture partner in HBO Pacific Partners C.V., Latin American Pay Television Service, VOF, Telecine Programacao de Filmes Ltda., Pay-TV Movies Australia and Star Channel, which are premium television services in Asia, Spanish-speaking Latin America, Brazil, Australia and Japan, respectively. UIP and United Cinemas International ("UCI", as described below) are the subject of governmental inquiries by the Commission of the European Community ("EC").

In addition to premium subscription television, most motion pictures are also licensed for exhibition on broadcast and basic cable television, with fees generally collected in installments. All of the above license fees for television exhibition (including international and U.S. premium television and basic cable television) are recorded as revenue in the year that the films are available for such exhibition, which, among other reasons, may cause substantial fluctuation in PARAMOUNT PICTURES' operating results. At December 31, 1995, the unrecognized revenues attributable to such licensing of completed films from PARAMOUNT PICTURES' license agreements were approximately \$639.3 million. PARAMOUNT PICTURES has approximately 900 motion pictures in its library.

Television Production and Syndication. The Company also produces, acquires and distributes series, miniseries, specials and made-for-television movies primarily for network television, first-run syndication, and basic cable television. As a result of the Blockbuster Merger, the Company now owns approximately 75% of SPELLING, which includes SPELLING TELEVISION(TM), REPUBLIC PICTURES(TM) and WORLDVISION ENTERPRISES(TM) ("WORLDVISION"). The Company is currently exploring the sale of SPELLING and the related purchase of SPELLING's subsidiary, VIRGIN INTERACTIVE(TM).

The Company's current network programming includes FRASIER(R), WINGS(TM), ALMOST PERFECT(TM), THE HOME COURT(TM), LEEZA(TM), SISTER, SISTER(TM), JAG(TM), DIAGNOSIS MURDER(TM) and GOOD COMPANY(TM), and through SPELLING, BEVERLY HILLS, 90210(TM), MELROSE PLACE(TM), MALIBU SHORES(TM) and SAVANNAH(TM). Generally, a network will license a specified number of episodes for exhibition on the network in the U.S. during the license period. All other distribution rights, including foreign and off-network syndication rights, are typically retained by the Company. The episodic license fee is normally less than the Company's and SPELLING's respective costs of producing each series episode; however, in many cases, the Company has been successful in obtaining international sales through its and SPELLING's respective syndication

operations. Foreign sales are generally concurrent with U.S. network runs. Generally, a series must have a network run of at least four years to be successfully sold in syndication.

The Company produces and/or distributes original television programming for first-run syndication which it sells directly to television stations in the U.S. on a market-by-market basis. The Company sells its programs to television stations for cash, advertising time or a combination of both. The Company's first-run syndicated programming includes such shows as STAR TREK: DEEP SPACE NINE(R), ENTERTAINMENT TONIGHT(R), HARD COPY(R), SIGHTINGS(R), THE MAURY POVICH SHOW(R), THE MONTEL WILLIAMS SHOW(TM) and beginning in 1996, REAL TV(TM) and

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VIPER. In early 1995, PARAMOUNT PICTURES entered into an agreement with The Procter & Gamble Company ("P&G") pursuant to which P&G will co-finance certain network and first-run syndicated programming produced by PARAMOUNT PICTURES during the three year term of the agreement. Later in 1995, PARAMOUNT PICTURES and P&G announced a strategic alliance with NBC to develop and produce programs for network series, first-run syndication and international distribution, pursuant to which NBC has been granted specific "first-look" rights and has agreed to multiple series commitments.

The Company produces original programming, including STAR TREK: VOYAGER(R) and THE SENTINEL(TM), for UPN. UPN launched on January 16, 1995 in approximately 96 U.S. television markets, providing its affiliates a two-hour prime-time programming block two nights a week. At December 31, 1995, UPN had affiliates in approximately 151 U.S. television markets. On March 6, 1996, UPN added an additional night of two hours of prime-time programming. UPN is currently 100% owned by subsidiaries of BHC Communications, Inc. ("BHC"), an affiliate of Chris Craft Industries, Inc. The Company has an option exercisable through January 15, 1997 to acquire an interest in UPN equal to that of BHC and its subsidiaries for a price equivalent to approximately one-half of BHC's aggregated cash contributions to UPN through the exercise date, plus market-based interest.

The Company distributes its television programming to basic cable program services such as USA NETWORK. On November 1, 1995, PARAMOUNT PICTURES and NICKELODEON, in a joint venture with BskyB, launched THE PARAMOUNT CHANNEL in the U.K., which features comedies, dramas, light documentaries and films during the daypart following the NICKELODEON in the U.K. program segment. PARAMOUNT PICTURES is also a joint venture partner in TV1 Australia, a basic cable channel in Australia.

The Company distributes or syndicates television series, feature films, made-for-television movies, miniseries and specials for television exhibition in domestic and/or international broadcast, cable and other marketplaces. Feature film and television properties distributed by the Company are produced by the Company and/or SPELLING or acquired from third parties. Third-party agreements for the acquisition of distribution rights are generally long-term and exclusive in nature; such agreements frequently guarantee a minimum recoupable advance payment to such third parties and generally provide for periodic payment to such third parties based on the amount of revenues derived from distribution activities after deduction of the Company's distribution fee, recoupment of distribution expenses and recoupment of any advance payments.

The receipt and recognition of revenues for license fees for completed television programming in syndication and on basic cable is similar to that of feature films exhibited on television and, consequently, operating results are subject to substantial fluctuation. At December 31, 1995, the unrecognized revenues attributable to television program license agreements were approximately \$502.7 million.

Theatrical Exhibition. The Company's movie theater operations consist primarily of FAMOUS PLAYERS(R) in Canada, UCI and FILMS PARAMOUNT(TM) in Europe, and CINAMERICA(TM) in the Western U.S. UCI, a 50%-owned joint venture of

entities associated with the Company and MCA, operates theaters in the U.K., Ireland, Germany, Austria and Spain. CINAMERICA, a 50%-owned joint venture of entities associated with the Company and Time Warner Inc., includes MANN(TM) and FESTIVAL(TM) Theaters, and operates 371 screens in 66 theaters in California, Colorado, Arizona and Alaska.

New Media and Interactive Services. VIACOM INTERACTIVE MEDIA(TM) is comprised of VIACOM NEW MEDIA(TM) and VIACOM INTERACTIVE SERVICES(TM). VIACOM NEW MEDIA develops and publishes interactive entertainment software for personal computers and video game consoles on a wide variety of platforms. VIACOM NEW MEDIA derives its content from brands and franchises developed by the Company's business units, including MTV NETWORKS and PARAMOUNT TELEVISION, and also secures outside licenses and original titles. In 1995, VIACOM NEW MEDIA released 11 titles, some of which were released for multiple platforms; the titles represent 23 stock keeping units ("sku's"; a title in each platform is a distinct sku). VIACOM INTERACTIVE SERVICES collaborates with the Company's various business units to develop their respective on-line and interactive television environments. In 1995, PARAMOUNT DIGITAL ENTERTAINMENT(TM) was formed to exploit various PARAMOUNT-owned and other properties on-line, and this unit entered into an agreement with The Microsoft Network to establish STAR TREK(R) and ENTERTAINMENT TONIGHT(TM) sites on Microsoft Corporation's on-line service in 1996. VIRGIN INTERACTIVE, a subsidiary of SPELLING, develops and publishes interactive entertainment software for personal computers and video game consoles on a wide variety of platforms, and distributes products in approximately 30 countries. The Company is currently exploring the purchase of VIRGIN INTERACTIVE and the related sale of SPELLING. In 1995, VIRGIN INTERACTIVE released 41 titles, including THE 11th HOUR: THE SEQUEL TO THE 7TH GUEST, COMMAND & CONQUER, and AGILE WARRIOR: F-111, some of which were released for multiple platforms. These 1995 titles represent 50 sku's.

Video and Music/Theme Parks

The Company operates in the home video retailing and rental business and music retailing business through its BLOCKBUSTER ENTERTAINMENT GROUP ("BLOCKBUSTER").

Home Video Retailing. BLOCKBUSTER is the leading worldwide owner, operator and franchiser of videocassette rental and sales stores. BLOCKBUSTER VIDEO(R) stores range in size from approximately 3,800 square feet to 11,500 square feet, and generally carry a comprehensive selection of 7,000 to 13,000 prerecorded videocassettes, consisting of more than 5,000 titles. BLOCKBUSTER offers titles primarily for rental and also offers titles for purchase on a "sell-thru" basis (See "Business--Competition--Video").

At December 31, 1995, there were 4,513 BLOCKBUSTER VIDEO stores operating worldwide; 3,180 BLOCKBUSTER VIDEO stores were operating in all 50 U.S. states, 2,537 of which were owned by the Company and 643 of which were owned by franchisees; and 1,333 BLOCKBUSTER VIDEO stores were operating in 18 foreign markets, 1,117 of which were owned by the Company, 85 were owned by various joint ventures in which the Company is a partner and 131 of which were

owned by franchisees. At December 31, 1995, 576 of the Company's stores located in the United Kingdom were operated under the "BLOCKBUSTER VIDEO EXPRESS"(TM) trade name.

During 1995, the Company entered into eight new foreign markets and acquired equity interests in certain foreign franchisees. Franchises to develop, own and operate BLOCKBUSTER VIDEO stores were granted in Colombia, Ecuador, El Salvador, Panama, Peru, Portugal and Thailand. In addition, the Company entered into a joint venture to develop, own and operate BLOCKBUSTER VIDEO stores in Germany. The Company also increased its participation in three previously franchised foreign markets during 1995. The Company acquired a 71% interest in

its franchisee in Mexico, a 51% interest in its franchisee in Argentina and a 51% interest in a newly formed joint venture with its franchisee in Spain. The Company also entered into agreements pursuant to which it will manage the development and operation of BLOCKBUSTER VIDEO stores in such markets. As a result, as of December 31, 1995, 81 of the 107 BLOCKBUSTER VIDEO stores located in Mexico, all 22 BLOCKBUSTER VIDEO stores located in Argentina and all 17 BLOCKBUSTER VIDEO stores located in Spain were managed by the Company. The 26 BLOCKBUSTER VIDEO stores located in Mexico not managed by the Company were managed by joint venture partners of the Company's franchisee in Mexico.

The Company's home video business may be affected by a variety of factors, including but not limited to, general economic trends in the movie and home video industries including the quality of new release titles available for rental and sale, acquisitions made by the Company, existing and additional competition, marketing programs, weather, special or unusual events, changes in technology, variations in the number of store openings and similar factors that may affect retailers in general. As compared to other months of the year, revenue from BLOCKBUSTER VIDEO stores in the U.S. has been, and the Company believes will continue to be, subject to decline during the months of April and May, due in part to the change to Daylight Savings Time, and during the months of September, October and November, due in part to the start of school and the introduction of new television programs.

Music Retailing. Through music stores operating under the "BLOCKBUSTER MUSIC" (TM) trade name, BLOCKBUSTER is among the largest specialty retailers of prerecorded music in the U.S. At December 31, 1995, BLOCKBUSTER owned and operated 516 BLOCKBUSTER MUSIC stores in 34 states in the U.S. and six BLOCKBUSTER MUSIC stores in Australia. During 1995, the Company restructured its music retail joint ventures with Virgin Retail Group, Ltd. which owned and operated Virgin Megastores in the U.S., Europe and Australia. As a result of the restructuring of these joint ventures, BLOCKBUSTER acquired the four stores developed by the Australian joint venture (which were all converted to BLOCKBUSTER MUSIC stores during 1995) and retained a 19.9% interest in the European joint venture, which operated 20 Virgin Megastores at December 31, 1995. BLOCKBUSTER no longer owns any interest in the Virgin Megastores located in the U.S.

The Company's music business may be affected by a variety of factors, including but not limited to, general economic trends and conditions in the music industry, including the quality of new titles and artists, existing and additional competition, marketing programs, changes in technology, and similar factors that may affect retailers in general. The Company's music business is

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seasonal, with higher than average monthly revenue experienced during the Thanksgiving and Christmas seasons, and lower than average monthly revenue experienced in September and October.

Theme Parks. The Company, through PARAMOUNT PARKS, owns and operates five regional theme parks and one water park in the U.S. and Canada: PARAMOUNT'S CAROWINDS(R), in Charlotte, North Carolina; PARAMOUNT'S GREAT AMERICA(TM), in Santa Clara, California; PARAMOUNT'S KINGS DOMINION(TM) located near Richmond, Virginia; PARAMOUNT'S KINGS ISLAND(TM) located near Cincinnati, Ohio; and PARAMOUNT CANADA'S WONDERLAND(R) located near Toronto, Ontario. In May 1995, PARAMOUNT PARKS purchased RAGING WATERS(TM), the San Francisco Bay Area's premier water theme park located in San Jose, California. Each of the theme parks features attractions based on intellectual properties of the Company. Substantially all of the theme parks' operating income is generated from May through September. PARAMOUNT PARKS and Las Vegas Hilton Corporation expect to launch STAR TREK: THE EXPERIENCE(TM) at the Las Vegas Hilton, a futuristic-themed, interactive environment in early 1997.

Other Entertainment. At December 31, 1995, the Company held an equity interest of approximately 49% of the outstanding common stock of Discovery Zone, Inc. ("Discovery Zone"). Discovery Zone(R) owns, operates and franchises large indoor recreational spaces known as FunCenters, and operates Leaps and Bounds

indoor entertainment and fitness facilities. On March 25, 1996, Discovery Zone filed a voluntary petition with the U.S. Bankruptcy Court for the District of Delaware for protection from its creditors under Chapter 11 of the U.S. Bankruptcy Code.

Publishing

The Company, through the SIMON & SCHUSTER family of companies, publishes and distributes hardcover and paperback books, interactive CD-ROM products, audio books, educational textbooks and supplemental educational materials, multimedia curricula, and information and reference materials for businesses and professionals. SIMON & SCHUSTER also publishes and distributes certain of its content on the Internet and commercial on-line services. In February 1994, SIMON & SCHUSTER completed the acquisition of the U.S. publishing assets of Macmillan, Inc. for approximately \$553 million. Simon & Schuster's well-known imprints include SIMON & SCHUSTER, PRENTICE HALL, THE FREE PRESS(TM), POCKET BOOKS, MACMILLAN PUBLISHING USA, SCRIBNER(R), QUE(R), SILVER BURDETT GINN(R), MODERN CURRICULUM(TM), ALLYN & BACON(R), COMPUTER CURRICULUM CORPORATION(TM) and EDUCATIONAL MANAGEMENT GROUP(TM), among others. Additionally, SIMON & SCHUSTER develops special imprints and publishes titles based on MTV, NICKELODEON and PARAMOUNT PICTURES products. SIMON & SCHUSTER distributes its books directly and through third parties on a retail and wholesale basis.

Educational Publishing. The Elementary, Secondary, Higher Education and Educational Technology groups publish elementary, secondary and college textbooks and related materials, computer-based educational products, audiovisual products and vocational and technical materials under such imprints as PRENTICE HALL, SILVER BURDETT GINN, GLOBE FEARON(TM), MODERN CURRICULUM and ALLYN & BACON, among others. In February 1995, Simon & Schuster acquired all of

the outstanding stock of EDUCATIONAL MANAGEMENT GROUP, INC.(TM), an interactive educational company that develops and distributes customized instructional materials and live interactive television program services to schools and reaches more than one million students in approximately 3,800 schools. COMPUTER CURRICULUM CORPORATION(TM), a subsidiary of SIMON & SCHUSTER, delivers multimedia coursework to approximately 1.5 million students in approximately 8,000 schools in five countries. The educational marketplace is subject to seasonal fluctuations in its business which correlate to the traditional school year. SIMON & SCHUSTER sales to elementary and secondary schools are dependent, in part, on the "adoption" or selection of instructional materials by designated state agencies. Twenty-two states and some localities limit the textbooks that may be purchased with state funds to those books that have been approved by the adoption authorities.

Consumer Publishing. The Consumer group publishes and distributes hardcover, trade paperback, mass-market books, audio books and interactive products under imprints including SIMON & SCHUSTER, POCKET BOOKS, SCRIBNER, THE FREE PRESS, SIMON & SCHUSTER TRADE PAPERBACK(TM), which includes FIRESIDE(R), TOUCHSTONE(R), SCRIBNER PAPERBACK FICTION(TM) and SIMON & SCHUSTER LIBROS EN ESPANOL(TM), as well as SIMON & SCHUSTER CHILDREN'S PUBLISHING(TM), which includes ALADDIN PAPERBACKS(TM), ATHENEUM BOOKS FOR YOUNG READERS(TM), LITTLE SIMON(R), MARGARET K. McELDERRY BOOKS(TM), NICK JR.(TM) and SIMON & SCHUSTER BOOKS FOR YOUNG READERS(TM). Titles released in 1995 included "Remember Me" and "The Lottery Winner" (Mary Higgins Clark), "All That Glitters" and "Hidden Jewel" (V.C. Andrews), "The Children's Book of Virtues" (William J. Bennett) and "The Christmas Box" (Richard Paul Evans). SIMON & SCHUSTER AUDIO(TM) is the world's largest publisher of audio books. In 1995, the Consumer Group created SIMON & SCHUSTER INTERACTIVE, which published 11 titles in 1995 and has 25 CD-ROM titles scheduled for publication in 1996. The consumer marketplace is subject to increased periods of demand in the summer months and during the end-of-year holiday season. In March 1995, SIMON & SCHUSTER acquired an approximately 20% ownership stake in Byron Preiss MultiMedia Corporation, a leading interactive software developer. SIMON & SCHUSTER ONLINE(TM), formed in January 1996, will publish original content on the Internet and commercial on-line services.

Business and Professional Publishing. Through a wide variety of imprints, SIMON & SCHUSTER publishes a full range of business, professional training, and medical and healthcare information products, including books, newsletters, journals, seminars, videos, loose-leaf series and multimedia programs, and operates seminars. Operating units include THE NEW YORK INSTITUTE OF FINANCE(TM), APPLETON & LANGE(R), JOSSEY-BASS(TM), THE BUREAU OF BUSINESS PRACTICE(TM), AND PRENTICE HALL DIRECT(TM).

Reference Publishing. MACMILLAN PUBLISHING USA, the umbrella identity of SIMON & SCHUSTER's reference publishing operations, is the industry leader in computer book publishing and a leader in home/library reference publishing. The unit's imprints include MACMILLAN COMPUTER PUBLISHING USA(TM) (QUE(R), SAMS(R), HAYDEN BOOKS(TM), NEW RIDERS(TM), SAMS.NET(TM), BRADY GAMES(TM) and QUE EDUCATION & TRAINING(TM)), MACMILLAN REFERENCE USA(TM) (ARCO(TM), BETTY CROCKER(R), BURPEE(TM), FROMMER'S(TM) TRAVEL GUIDE, HARRAP'S BILINGUAL

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DICTIONARIES(TM), HOWELL BOOK HOUSE(TM), MONARCH(R) NOTES, J.K. LASSER(TM), THE PLACES RATED(R) ALMANAC, THE UNOFFICIAL GUIDES(TM), WEBSTER'S NEW WORLD(R), WEIGHT WATCHERS(R), ALPHA(TM), MACMILLAN BOOKS(TM), MACMILLAN COOKING AND GARDENING(TM), MACMILLAN SPECTRUM(TM), THORNDIKE(R), SCHIRMER BOOKS(TM), CHARLES SCRIBNER SONS(R) REFERENCE, G.K. HALL(TM), MACMILLAN TRAVEL(TM) and MACMILLAN DIGITAL USA(TM) and MACMILLAN ONLINE USA(TM), the online presence for MACMILLAN PUBLISHING both on the Internet and commercial online services such as CompuServe and America Online. In July 1995, the Company acquired ZIFF-DAVIS PRESS(TM), the book publishing operation of Ziff-Davis Publishing Company, which will publish approximately 65 titles in 1996. In January 1996, the Company acquired the WAITE GROUP, INC.(R), which publishes titles on computer programming languages and emerging technologies.

International Publishing. The Company distributes its English language books originally published in the U.S. worldwide. The Company also expects to publish approximately 1,200 books in 10 languages and 34 countries outside North America in 1996, primarily in the areas of academic, computer, English language training, and professional publishing. The publishing includes local language translation and adaptation of U.S. product and indigenous publishing. SIMON & SCHUSTER also maintains co-publishing partnerships in approximately 14 countries, such as Japan (Toppan and Impress) and the People's Republic of China, where the operations include distribution of U.S. products. In January 1994, the Company acquired German computer book publisher MARKT & TECHNIK(TM), enhancing the Company's position as the world's largest computer book publisher and providing greater opportunities for expansion into other European markets, particularly Eastern Europe.

Cable Television

Cable Operations. At December 31, 1995, the Company, through Viacom Cable Television ("Viacom Cable"), was approximately the 12th largest multiple cable television system operator in the U.S. with approximately 1.2 million subscribers. During July 1995, the Company announced an agreement to split-off its cable systems to its shareholders through a "dutch auction" exchange offer and the subsequent investment in and acquisition of all of the common stock of such entity by a subsidiary of Tele-Communications, Inc. immediately following the split-off. The exchange offer and related transactions are subject to several conditions, including receipt of a tax ruling and consummation of the exchange offer. Viacom Cable's systems are operated pursuant to non-exclusive franchises granted by local governing authorities.

In most of its systems, Viacom Cable offers two tiers of primary (i.e., non-premium) service: "Limited Service," which is subject to rate regulation by local franchise authorities and consists generally of local and distant broadcast stations, and all public, educational and governmental ("PEG") channels as may be required by the local franchise authorities; and the "Satellite Value Package," which, until March 31, 1999, is subject to rate regulation by the FCC and which provides additional channels of

satellite-delivered cable networks, including the Company's own basic program services and joint venture services, as well as third-party services. Fees for these two levels of service constitute the major source of the systems' revenue. In addition, Viacom Cable offers a third tier of non-premium service which qualifies as a non-regulated "new product tier" in the following systems:

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Nashville, TN; Dayton, OH; Pittsburg, CA; Petaluma, CA; Livermore, CA; Puget Sound South, WA; and most of Puget Sound North/Central, WA. Each such tier consists of either five or six channels of advertiser-supported cable networks.

The Communications Act precludes rate regulation wherever a cable system faces "effective competition". None of Viacom Cable's systems is presently subject to "effective competition" and therefore none of such systems is exempt from such regulation. Pursuant to the 1996 Telecommunications Act, which amends the Communications Act, regulation of the Satellite Value Package will cease as of March 31, 1999 (even in the absence of "effective competition"). Regulation of rates for Limited Service will end only when any cable system becomes subject to "effective competition". The 1996 Telecommunications Act adds a new "effective competition" test to the three already included in the Communications Act. The new test finds effective competition in areas where a local telephone company, its affiliate, or a multichannel video programming distributor using the facilities of the telephone company or its affiliate -- irrespective of the number of subscribers to the service -- offers programming to subscribers by any means (other than DTH) in the franchise area of the cable system, provided that the programming so offered is "comparable" to the programming provided by the cable operator in that area. The new product tiers mentioned above are not rate regulated at the present time, but the FCC has reserved the right to reopen the issue of rate regulation for new product tiers in the future.

Viacom Cable offers premium cable television programming, including the Company's premium subscription television program services, to its customers for an additional monthly fee of up to \$12.95 per premium service. At December 31, 1995, the Company's cable television systems had approximately 921,000 subscriptions to premium subscription television program services.

Viacom Cable earns revenues from sources in addition to subscriber fees. In all of its markets, revenues are generated from advertising sales as well as from commissions on the sales of products on home shopping services offered by Viacom Cable to its customers. Viacom also derives revenues, in three of its markets, from the lease of certain fiber optic capacity to partnerships engaged in competitive access telephone services. Viacom Cable has equity interests in each of these partnerships.

Cable operators require substantial capital expenditures to construct systems and significant annual expenditures to maintain, rebuild and expand systems. System construction and operation and quality of equipment used must conform with federal, state and local electrical and safety codes and certain regulations of the FCC. Viacom Cable, like many other cable operators, is analyzing potential business applications for its broadband network, including interactive video, video on demand, data services and telephony. These applications, either individually or in combination, may require technological changes such as the installation of fiber optic cable and the capacity to engage in digital compression. Although management believes the equipment used in the cable operations is in good operating condition, except for ordinary wear and tear, the Company invests significant amounts each year to upgrade, rebuild and expand its cable systems. During the last five years, Viacom Cable's capital expenditures were as follows: 1991: \$45 million; 1992: \$55 million; 1993: \$79 million; 1994: \$100 million; and 1995: \$119 million. The Company expects that Viacom Cable's capital expenditures in 1996 will be approximately \$150 million.

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Viacom Cable has constructed a fiber optic cable system in Castro Valley, California to provide more channels with significantly better picture

quality, and to accommodate testing of new services including an interactive on-screen programming guide known as StarSight (in which consolidated affiliates of the Company currently have an approximately 22.6% equity interest on a combined basis), other interactive programs with VIACOM INTERACTIVE MEDIA, multiplexed services, experimental interactive video and data services and access to on-line computer services and the Internet through a PC-cable modem. In January 1996, the Castro Valley system began testing full telephone service over the cable system.

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Viacom Cable
As of December 31, 1995

	Approximate Homes in Franchise Area (1)	Approximate Homes Passed by Cable (2)	Number of Primary Customers (3)	Primary Penetration (4)	Premium Units (5)	Premium Penetration (6)	Miles of Cable Distribution
Bay Area Region							
Marin (7)	81,000	77,800	63,000	81%	38,600	61%	648
Sonoma (7)	48,000	45,700	36,100	79%	23,600	65%	542
Napa	33,000	32,700	24,100	74%	16,500	68%	323
East Bay/Castro Valley (7)	90,000	88,700	74,700	84%	68,300	91%	691
Pittsburg/Pinole (7)	74,000	73,900	55,500	75%	55,800	101%	572
San Francisco	358,000	339,500	178,500	53%	148,700	83%	711
Total Bay Area Region	684,000	658,300	431,900	66%	351,500	81%	3,487
Ore-Cal Region							
Redding (7)	58,000	55,800	36,600	66%	21,500	59%	682
Oroville	44,000	40,100	26,500	66%	13,000	49%	504
Salem	79,000	76,200	47,800	63%	29,600	62%	632
Total Ore-Cal Region	181,000	172,100	110,900	64%	64,100	58%	1,818
Puget Sound Region (7)	645,000	624,400	438,100	70%	302,100	69%	6,410
Midwest Region							
Nashville (7)	271,000	240,700	146,300	61%	143,800	98%	2,357
Dayton (7)	98,000	94,100	52,300	56%	59,600	114%	635
Total Midwest Region	369,000	334,800	198,600	59%	203,400	102%	2,992
Total Viacom Cable	1,879,000	1,789,600	1,179,500	66%	921,100	78%	14,707

<FN>

(1) Homes in franchise area represents Viacom Cable's estimate based upon local sources such as city directories, chambers of commerce, public utilities, public officials and house counts.

(2) Homes are deemed "passed by cable" if such homes can be connected without any further extension of the transmission trunk lines.

(3) Represents the number of homes connected, rather than the number of television outlets connected within such homes.

(4) Represents primary customers as a percentage of homes passed by cable.

(5) The premium unit count is based on the total number of premium services subscribed to by primary customers.

(6) Represents premium units as a percentage of primary customers.

(7) Other cable television companies have franchises and serve parts of these areas in which the Company has franchises.

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Intellectual Property

It is the Company's practice to protect its theatrical and television product, software, publications and its other original and acquired works. The following logos and trademarks are among those strongly identified with the product lines they represent and are significant assets of the Company: VIACOM(R), the BLOCKBUSTER(R) family of marks, MACMILLAN(R), the MTV: MUSIC TELEVISION(R) family of marks, THE MOVIE CHANNEL(TM), NICK AT NITE(R) and the NICKELODEON(R) family of marks, NICK AT NITE'S TV LAND(TM), the PARAMOUNT(R) family of marks, POCKET BOOKS(TM), SIMON & SCHUSTER(R), SHOWTIME(R), the STAR TREK(R) family of marks and the VH1 MUSIC FIRST(TM) family of marks.

Competition

All of the Company's segments compete generally with various forms of

leisure, entertainment and recreational activities.

Networks

MTVN. MTVN services are in competition for available channel space on existing cable systems and for fees from cable operators and alternative media distributors, with other cable program services, and nationally distributed and local independent television stations. MTVN also competes for advertising revenue with other cable and broadcast television programmers, and radio and print media. For basic cable television programmers such as MTVN, advertising revenues derived by each program service depend on the number of households subscribing to the service through local cable operators and other distributors. (See "Business --Competition--Entertainment")

Certain major record companies have either launched or have announced plans to launch music-based program services in the U.S. Certain major record companies have also announced plans to launch, or have launched, music-based program services outside the U.S., including but not limited to: V-Channel which is jointly owned and operated in Asia by Star TV and four major record labels; and Viva and Viva 2, German-language music channels distributed in Germany and owned in large part by four major record labels. MuchMusic, a music service which originated in Canada, commenced U.S. distribution in spring 1995; and a MuchMusic service customized for the Latin American market is being distributed in Mexico and Argentina.

SNI. Competition among premium subscription television program services in the U.S. is primarily dependent on: (1) the acquisition and packaging of an adequate number of recently released quality motion pictures; and (2) the offering of prices, marketing and advertising support and other incentives to cable operators and other distributors so as to favorably position and package SNI's premium subscription television program services to subscribers. HBO is the dominant company in the U.S. premium subscription television category, offering two premium subscription television program services, the HBO service and Cinemax. SNI is second to HBO with a significantly smaller share of the premium subscription television category. In addition, in February 1994, Encore Media Corp. (an affiliate of Tele-Communications, Inc.) launched Starz!, a premium subscription television program service featuring recently released motion pictures, in competition with SNI's premium program services. (See "Business--Competition--Entertainment")

Broadcasting

The principal methods of competition in the television and radio broadcasting field are the development of audience interest through programming and promotions. While three of the Company's television stations are affiliated with NBC and another of the Company's television stations is affiliated with CBS, the Company's expansion strategy has been to seek to acquire UPN affiliates or independent stations which will become primary affiliates of UPN. At this time, UPN has limited programming. Therefore, with respect to the Company's current UPN affiliated stations, and, to the extent that the Company acquires independent stations, there will be a need for those stations to acquire additional programming to a greater extent than would otherwise be required if the stations were affiliated with the older, more established networks.

Television and radio stations compete for advertising revenues with other stations in their respective coverage areas as well as with all other advertising media. Generally, technological advances with respect to the methods of providing home entertainment alternatives and changing regulatory policies with respect to the broadcast industry may have an impact upon broadcasting's future competitive environment. In addition, the 1996 Telecommunications Act liberalizes television and radio station ownership limits and consequently allows for increased group ownership or control of stations on both a national and, with respect to radio, a local market basis. The Company is unable to

predict what impact these changes will have on its businesses in each applicable market. (See "Business--Regulation--Broadcasting")

In recent years, competition has arisen from the DBS distribution of programming which commenced in 1994. Moreover, the FCC has issued rules which may significantly increase the number of MMDS systems. The FCC has also authorized video uses of certain frequencies which have not traditionally been used or permitted for commercial video services and has issued rules which will increase the number of FM and AM stations. The FCC is also considering authorizing digital audio broadcasts, which could ultimately permit increased radio competition by satellite delivery of audio stations directly to the home (or to cars) and has authorized and is in the process of licensing low-power television stations ("LPTV stations") that may serve various communities with coverage areas smaller than those served by full conventional television stations. Because of their coverage limitations, LPTV stations may be allocated to communities which cannot accommodate a full-power television station because of technical requirements.

Entertainment

The Company competes intensely with other major studios and independent film producers in the production and distribution of motion pictures and video cassettes. Similarly, as a producer and distributor of television programs, the Company competes with other studios and independent producers in the licensing of television programs to both networks and independent television stations. PARAMOUNT PICTURES' competitive position primarily depends on the quality of the product produced, public response and cost. The Company also competes to obtain creative talents and story properties which are essential to the success of all of the Company's entertainment businesses.

In addition to the competitive factors applicable to all areas of the entertainment industry, the marketplace for interactive entertainment is also characterized by the rapid evolution of game-playing and distribution technologies.

Recently announced transactions, resulting in greater consolidation in the entertainment and media industries, may also present significant competitive challenges to several of the Company's businesses, including its theatrical motion picture division and its basic and premium subscription program services.

Video

The home video retail business is highly competitive. The Company believes that the principal competitive factors in the business are title

selection, number of copies of titles available, the quality of customer service and pricing. The Company believes that the success of its business depends in part on its large and attractive Company-owned and franchise-owned BLOCKBUSTER VIDEO stores offering a wide selection of titles and larger and more accessible inventory than most of its competitors, in addition to more convenient store locations, faster and more efficient computerized check-in/check-out procedures, extended operating hours, effective customer service and competitive pricing.

From time to time, home video companies and distributors offer titles at a price substantially lower than the range in which titles are ordinarily priced to home video retailers. These titles, known as "sell-thru" titles because their lower wholesale price is intended to increase the number of copies sold by retailers, consist primarily of successful children's movies and other movies that have unique characteristics or other mass ownership appeal. BLOCKBUSTER offers these titles both for rental and sale in its stores. The competition for sales of these titles is greater than "rental-priced products" due to the participation in this market of mass merchants, grocery stores and other retailers not engaged in the business of renting videocassettes. Although the number of sell-thru priced products increased in 1996, the Company believes that the substantially higher profit margins to movie studios on rental product will

continue to limit the number of sell-thru titles.

In the retail rental marketplace, the Company and its franchise owners compete with other national and regional video rental chains, local video rental stores, grocery stores and several other retailers engaged in the rental of videocassettes. As noted above, the market for sell-thru product at retail is significantly broader. The Company and its franchise owners also compete generally with other feature film distribution media, such as movie theaters and broadcast, cable and DBS television.

A significant competitive advantage that the Company and its franchisees (and all other video retail outlets) currently enjoy over broadcast, cable and DBS television is a limited exclusive distribution "window". Generally, after the initial domestic theatrical exhibition of a film, studios make the films available to video rental outlets on an exclusive basis for a period of time. The length of this period, however, varies based upon a number of factors including, but not limited to, the box-office success of the film and license fee commitments made by pay-per-view distributors, premium subscription program services and broadcast networks to exhibit the film in such alternative windows. While certain films had shorter home video windows than historically available to retailers, the average window for major releases during the year did not differ materially from prior years and the Company does not expect this window to differ materially in 1996. However, there can be no assurances that the studios will not alter the window due to new methods of distribution or other factors.

In 1994, several consumer product companies announced plans to introduce different types of products to exhibit prerecorded filmed entertainment products on television sets. During 1995, these companies collectively established uniform technological standards on which all such products would be based. The product, now commonly referred to as the "digital versatile disc" or "DVD" player, is based on digital technology and permits a film that is recorded in digital format on a compact disc to be shown on a standard television set. This new technology is said to offer significant benefits to consumers by enabling home video companies and their distributors to produce a lower cost, higher

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quality product than videocassettes. Manufacturers are planning to introduce their DVD products into the U.S. The Company is unable to determine at this time whether this new format will gain significant consumer acceptance generally or among the Company's customers. As a result, the Company is unable to determine the impact, if any, this new format will have on the Company's business. Once such technology is introduced, the Company will monitor its acceptance by the market and endeavor to exploit this new medium, both in the rental and sale of the product.

Music

Competition among music retailers has intensified greatly over the past two years with the entry into the business of a number of mass merchants. Many of these retail chains have significantly reduced their prices on prerecorded music products (primarily new releases) to attract customers into their stores and generate sales of other, higher margin products. To protect its market share, the Company has lowered the prices at which it sells many of its products, resulting in lower revenue and reduced profit margins. Several other specialty music retail chains, however, have been unable to compete. Some of these chains have declared bankruptcy while others have begun closing unprofitable stores in an attempt to minimize operating losses. The intense competition in the industry coupled with a generally soft overall retail environment during 1995, also negatively affected many of the mass merchants.

Theme Parks

The Company's theme parks compete directly with other theme parks in their respective geographic regions as well as generally with other forms of leisure entertainment. The profitability of the leisure-time industry is

influenced by various factors which are not directly controllable, such as economic conditions, amount of available leisure time, oil and transportation prices, and weather patterns. The Company believes that its intellectual properties will enhance existing attractions and facilitate the development of new attractions to encourage visitors to the PARAMOUNT PARKS theme parks and water park.

Publishing

Competition in the elementary, secondary and higher education textbook and the trade and paperback book fields is intense, with a number of strong competitors. In addition, the acquisition of publication rights to important book titles is highly competitive and the Company competes with numerous other book publishers. In the field of elementary and secondary school textbooks, 22 states and some local jurisdictions limit the textbooks that may be bought by school systems with state funds to those books that have been approved by adoption or listing. Competition to be included on state adoption lists is considerable. In the higher education textbook field, new books compete with used books. In addition, book piracy affects sales in certain foreign markets. A large portion of annual sales of educational textbooks is made during the June to September period. In certain areas of publishing, books are usually sold on a fully returnable basis resulting in significant product returns to publishers. In the field of information services to businesses and professionals, there are numerous organizations that provide competitive materials and services.

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Cable Television

The Company's cable television systems operate pursuant to non-exclusive franchises granted by local governing authorities (either municipal or county). The Communications Act prohibits a franchiser from granting exclusive franchises and from unreasonably refusing to award additional competitive franchises. Accordingly, other cable operators have been franchised and may continue to apply for franchises in certain areas served by the Company's cable systems. However, no new franchises were granted in such areas during 1995.

The Company's cable systems also may compete for viewers with other distribution systems which deliver programming by MMDS (multichannel, multipoint distribution systems via microwave transmission) and SMATV (satellite transmission to a central receiving facility for distribution to a number of subscribers) or directly to subscribers via DTH technology (either TVRO or DBS). The strength of competition depends upon the availability, reliability, programming and pricing of such alternative distribution systems. Digital compression may allow cable systems to significantly increase the number of channels of programming they deliver and thereby help cable systems meet competition from these other distribution systems.

In addition, the 1996 Telecommunications Act permits telephone companies ("telcos") to enter the business of distributing programming inside their respective service areas (telcos were previously permitted to do so outside their local telephone areas) either as traditional cable operators, as common carriers, as operators of wireless systems such as MMDS or as operators of a hybrid common carrier/cable system known as an "open video system" ("OVS") (see "Business--Regulation--Cable Television"). The 1996 Telecommunications Act also permits registered utility holding companies to provide cable services under certain conditions (these utilities were previously prohibited from doing so under the Public Utilities Holding Company Act) (see "Business--Regulation--Cable Television").

Wireless distribution systems such as MMDS generally do not require local government franchises in order to provide service, nor will telcos require local franchises if they provide service on a common carrier or OVS basis.

With respect to the provision of telephony services, the Company is a general partner in three partnerships that provide commercial competitive access services. These are services linking business customers to long distance

carriers via private networks. Portions of these networks are owned by the partnerships and other portions are owned by the Company's local cable system and leased to the partnerships. These partnership interests will be sold as part of the proposed split-off of the Company's cable systems.

The Company views the future success of the cable business in a competitive environment as being dependent on the supply of additional programming and new services to its customers and an increase in primary and premium subscriber penetrations.

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Regulation

The Company's businesses are either subject to or affected by regulations of federal, state and local governmental authorities. The rules, regulations, policies and procedures affecting these businesses are constantly subject to change. The descriptions which follow are summaries and should be read in conjunction with the texts of the statutes, rules and regulations described herein. The descriptions do not purport to describe all present and proposed statutes, rules and regulations affecting the Company's businesses.

Intellectual Property

The Company conducts many of its businesses through the control and exploitation of the numerous copyrights and trademarks underlying its products and licenses; therefore, domestic and international laws affecting intellectual property have significant importance to the Company. Congress is currently considering revisions to the Copyright Act of 1976 (the "Copyright Act"), including extension of the protection term by 20 years. Congress may also consider legislation to update the Copyright Act to take into account new technological developments relating to the distribution of copyrighted materials. On November 1, 1995, the Digital Performance Right in Sound Recordings Act of 1995 was enacted, which legislation is not expected to have a material effect on the Company.

Compulsory Copyright. Cable television and SMATV systems are subject to the Copyright Act which provides a compulsory license for carriage of broadcast signals at prescribed rates (the proceeds are divided among the various copyright holders of the programs carried on distant broadcast signals). No license fee is payable to any program copyright holder for retransmission of broadcast signals which are "local" to the communities served by the cable system. "Open video systems" under the 1996 Telecommunications Act will also be subject to the compulsory license. (See "Business -- Competition --Cable Television" above)

The Copyright Act also provides a similar compulsory license for DTH services. Legislation adopted by Congress in 1994 extended the DTH compulsory license for five years, raised the statutory fees paid to carry broadcast signals, and, beginning in 1996, requires the fees to be set through negotiations and binding arbitration rather than by law, taking into account fair market value. Such legislation also includes a provision eliminating the requirement that cable operators pay compulsory license fees for stations located more than 35 miles away but within the same "Area of Dominant Influence".

First Sale Doctrine. The "First Sale" provision of the Copyright Act provides that the owner of a legitimate copy of a copyrighted work may rent or otherwise use or dispose of that copy in such a manner as the owner sees fit. The First Sale doctrine does not apply to sound recordings or computer software (other than software made for a limited purpose computer, such as a video game platform), for which the Copyright Act vests a rental right (i.e., the right to control the rental of the copy) in the copyright holder. The repeal or limitation of the First Sale doctrine (or conversely, the creation of a rental right vested in the copyright holder) for audiovisual works or for computer software made for limited purpose computers would have an adverse impact on the

Company's home video business; however, no such legislation is pending in Congress at the present time.

Networks and Broadcasting

Networks

Communications Act; 1996 Telecommunications Act. (See "Business--Regulation--Cable Television" below)

Broadcasting

Television and radio broadcasting are subject to the jurisdiction of the FCC pursuant to the Communications Act.

The Communications Act. The Communications Act authorizes the FCC to issue, renew, revoke or modify broadcast licenses; to regulate the radio frequency, operating power and location of stations; to approve the transmitting equipment used by stations; to adopt rules and regulations necessary to carry out the provisions of the Communications Act; and to impose certain penalties for violations of the Communications Act and the FCC's regulations governing the day-to-day operations of television and radio stations.

Broadcast Licenses. Under the 1996 Telecommunications Act, broadcast station licenses (both television and radio) will ordinarily be granted for maximum periods of eight years, and will be renewable for additional eight-year periods upon application and approval. Prior to this Act, licenses were renewable and were ordinarily granted for the maximum periods of five years, in the case of television stations, and seven years, in the case of radio stations. There is no indication in the 1996 Telecommunications Act as to whether the eight-year term will apply retroactively or only to those licensees who apply for renewals in the future. Licenses may be revoked by the FCC for serious violations of its regulations. Under prior law, competing applications could be filed against a broadcaster seeking to renew its license, and the FCC was required to conduct a hearing to consider the comparative merits of the incumbent and the competing applicant. Although the FCC typically gave the incumbent a "renewal expectancy" if it had complied with FCC rules and broadcast a minimum of public affairs and informational programming during the previous license term, an incumbent nevertheless might have to endure the expense and uncertainty of the comparative hearing process.

The 1996 Telecommunications Act eliminates competing applications and comparative hearings if the renewal applicant has served the public interest and has not seriously violated the Communications Act or FCC rules, or shown a pattern of abuse. Only if the FCC finds the licensee failed to satisfy these requirements, finds there are no mitigating factors to justify imposing a condition on the license or short-term renewal, and ultimately denies the renewal, can it accept and consider new applications for the now-vacant channel.

As in the past, the FCC must decide what factors are relevant to whether a broadcaster has "served the public interest," and it may use the same factors it formerly considered or such other factors that it may adapt relevant to a renewal expectancy. In addition to the broadcaster's record of providing news, public affairs, and other informational programming, the FCC has also considered children's programming relevant to television renewals.

The new renewal schedules pursuant to the 1996 Telecommunications Act will be set by the FCC. However, under the five and seven-year schedules which have not yet been revised, the licenses for the Company's television stations expire as follows: WDCA-TV on October 1, 1996; WBFS-TV on February 1, 1997; WUPA-TV on April 1, 1997; WPSG-TV on August 1, 1997; WKBD-TV on October 1, 1997;

KMOV-TV on February 1, 1998; each of KTXA-TV and KTXH-TV on August 1, 1998; each of WVIT-TV and WSBK-TV on April 1, 1999; and each of WNYT-TV and WHEC-TV on June 1, 1999. The Company's licenses for its radio stations expire as follows: WLTI-FM on October 1, 1996; WLIT-FM on December 1, 1996; each of KYSR-FM and KXEZ-FM on December 1, 1997; each of KBSG-AM/FM and KNDD-FM on February 1, 1998; WLTW-FM on June 1, 1998; and each of WMZQ-AM/FM, WBZS-AM and WJZW-FM on October 1, 2002. The Company will apply for renewal of such licenses which expire in 1996 and expects that such licenses will be renewed.

The Communications Act prohibits the assignment of a license or the transfer of control of a license without prior approval of the FCC. The Communications Act, as amended by the 1996 Telecommunications Act, provides that no license may be held by a corporation if more than 20% of the voting stock is owned of record or voted by aliens or is subject to control by aliens. In addition, no corporation may hold the voting stock of another corporation owning broadcast licenses if more than 25% of the voting stock of such parent corporation is owned of record or voted by aliens or is subject to control by aliens, unless specific FCC authorization is obtained.

Broadcast signals are presently transmitted in analog rather than digital form. The FCC is currently considering allotting to broadcasters additional spectrum in new, digital transmission modes. If the FCC adopts its proposals, the 1996 Telecommunications Act requires the FCC to also permit broadcasters to utilize the digitally transmitted signals for various purposes including for additional channels of programming and services "ancillary and supplemental" to broadcasting. Full conversion from analog to digital mode, if it is to occur at all, is expected to occur over the course of a transition period subsequent to the FCC's adoption of digital standards. Until such transition is complete, broadcasters may be licensed to transmit on two channels, one for carriage of the analog transmission and the second for carriage of the digital signal, which can be used to transmit either a single "high definition" channel of video programming or, alternatively, up to six different channels carrying either an enhanced (although not "high definition") broadcast signal or the aforesaid ancillary and supplemental services (e.g., data transmissions or subscription video services). The 1996 Telecommunications Act requires that if separate analog and digital channels are used transitionally, one of the two channels used during the transition period must eventually be returned to the government. However, this legislation does not establish a time frame for return of the channel nor specify which of the two channels (i.e., the analog or digital channel) must be returned. To the extent digital

spectrum is used for any service which generates subscription or usage fees, a broadcaster must pay the government, at a rate to be determined by the FCC, for use of the spectrum.

Despite the 1996 Telecommunications Act's recent passage, Congress is currently considering the issue of whether the additional spectrum authorized for broadcasters by the legislation should be auctioned to the highest bidder (either broadcasters or other users) rather than allotted to incumbent broadcasters without charge. Congress is also considering whether to require broadcasters, should they be allotted the spectrum, to convert to full digital transmission within a specified period of time so that returned channels could then be auctioned to other users not later than a designated date. A spectrum auction or a short-term analog-to-digital transition period could have an adverse effect on the business of broadcasting.

Must Carry/Retransmission Consent. The Communications Act contains provisions which grant certain "must carry" rights to commercial broadcast television stations that are "local" to communities served by a cable system, including the right to elect either to require a cable operator to carry the station pursuant to the must carry provisions of the Act or to require that the cable operator secure the station's "retransmission consent" on a negotiated

basis before the station can be carried (i.e., retransmitted) on the cable system (see Business-Regulation-"Cable Television" below). All of the Company's television stations are carried on cable systems serving the communities in the stations' markets. Certain of the stations obtained carriage by asserting must carry rights and other stations granted retransmission consent. Failure to be carried on cable systems could be detrimental to the business of a television station. The application of must carry requirements to additional services which a broadcaster might transmit over the digital spectrum is to be decided by the FCC except that the 1996 Telecommunications Act expressly provides that any "ancillary and supplementary" services provided by broadcasters will not be entitled to mandatory cable carriage. The must carry rules were challenged by cable program services and cable system operators. In April 1993, a District of Columbia three-judge court upheld the rules against a First Amendment challenge. In June 1994, the U.S. Supreme Court held that the rules were content-neutral rather than unconstitutional, but nevertheless vacated the District Court's decision and remanded the case back to the District Court for determination of the impact of such rules on the broadcast and cable industries. On December 13, 1995, the District Court again upheld the rules in a two-to-one decision. This decision has been appealed to the U.S. Supreme Court, which has agreed to review the decision. Oral argument before the U.S. Supreme Court is expected to occur in the fourth quarter of 1996.

Restrictions on Broadcast Advertising. In past Congressional sessions, committees of Congress examined proposals for legislation that would eliminate or severely restrict advertising of beer and wine either through direct restrictions on content or through elimination or reduction of the deductibility of expenses for such advertising under federal tax laws. Such proposals generated substantial opposition, but, while there is currently no proposal to do so, it is possible that similar proposals will be reintroduced in Congress. The elimination of all beer and wine advertising would have an adverse effect on the revenues of the Company's television and radio stations.

Ownership Limitations. The 1996 Telecommunications Act increases the ownership limits on the number of radio and television stations in which one entity can own an "attributable interest" as defined by the FCC. The Company currently owns radio and television stations below these limits. Under the new law, a single entity can have an "attributable" ownership or management interest in an unlimited number of AM and FM stations nationwide, including multiple AM and/or FM stations licensed to serve the same market. The limit on the number of such multiple stations in a particular market in which a single entity may hold an "attributable interest" depends upon the total number of AM and/or FM stations in that market. With respect to television, the 1996 Telecommunications Act limits the maximum number of stations nationwide in which one entity can have an "attributable interest", to that number which serves up to 35% of U.S. television households. (FCC rules count only one-half of the households in a market when determining the household reach of stations which broadcast on a UHF frequency). That rule is presently under consideration in a pending proceeding reviewing the television broadcast ownership rules. Subject to waiver, the FCC currently prohibits a single entity from owning more than one television station serving the same market or two or more stations which have overlapping signals with a certain strength. The FCC also permits radio stations to broker the programming and sales inventories of their stations to other radio stations within the same area, subject to various restrictions, so long as ultimate operational control and ownership is retained and exercised by the licensee. Such brokerage agreements function, as a practical matter, to effect a consolidation of competitive radio broadcast stations within a market in much the same manner as would multiple ownership of radio facilities by one entity. Similar brokerage agreements among television stations are being implemented in a number of markets and are not now subject to any explicit FCC regulations but may be affected by pending FCC rulemakings. The recently enacted legislation prevents the FCC from totally banning such television agreements. The FCC is currently considering whether to revise its ownership rules as well as redefine its current standards of what level of ownership or control constitutes an "attributable interest" under its rules. Moreover, the 1996 Telecommunications Act requires the FCC to review all of its ownership rules every two years and

modify or repeal those that no longer serve the public interest.

The FCC's ownership limitations also preclude (except on a grandfathered basis) common ownership in the same market of (i) television stations and cable systems; (ii) television or radio stations and newspapers of general circulation; and (iii) radio and television stations. All such restrictions are subject to waiver by the FCC on a case-by-case basis and radio-television cross-ownership prohibitions in particular are routinely granted in the major television markets so long as at least 30 separately owned and operated radio television and television stations serve the market. The Company operates two AM and two FM stations as well as a television station serving Washington, D.C. Ownership of the television station (WDCA) was obtained when the Company acquired majority ownership of Paramount Communications on March 11, 1994. Pursuant to the FCC's order consenting to the transfer of control of the broadcast licenses of Paramount Communications to the Company, the Company is obligated to dispose of one AM and one FM radio station serving Washington, D.C. The Company has requested a waiver of this obligation from the FCC until such time as the FCC completes its pending review of local ownership limitations. Depending on the outcome of that review, the Company may request a permanent waiver of this undertaking. The FCC's previous prohibition on a national

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television network's ownership or operation of cable systems has been repealed by the 1996 Telecommunications Act.

Entertainment

The Company's first-run, network and other production operations and its distribution of off-network, first-run and other programs in domestic and foreign syndication are not directly regulated by legislation. However, existing and proposed rules and regulations of the FCC applicable to broadcast networks, individual broadcast stations and cable could affect the Company's Entertainment businesses.

Financial Interest and Syndication Rules. The financial interest and syndication rules ("finsyn rules") which were adopted by the FCC in 1970 expired in September 1995. These rules significantly limited the role of broadcast television networks in broadcast television program syndication. The financial interest rule prohibited a network from acquiring a financial or proprietary right or interest in the exhibition (other than its own broadcast network exhibition), distribution or other commercial use in connection with the broadcasting of any television program of which it is not the sole producer. The syndication rule prohibited a network from syndicating programming domestically to television stations for non-network exhibition and precluded a network from reserving any rights to participate in income derived from domestic broadcast syndication or from foreign broadcast syndication where the network was not the sole producer. For the purposes of these rules, a broadcast network was defined as any entity which offers an interconnected program service on a regular basis for 15 or more hours per week to at least 25 affiliated television stations in 10 or more states. Elimination of the finsyn rules may have an adverse effect on the Company's distribution and production of network prime time programming.

Prime Time Access Rule. The Prime Time Access Rule ("PTAR") will expire on August 30, 1996. PTAR prohibits network affiliates in the top 50 markets (designated by the FCC based on survey data) from exhibiting network or off-network programming during more than three out of the four prime time hours, with certain limited exceptions. First-run programming produced by a network is considered network programming for this purpose. Expiration of PTAR could affect the Company's first-run and other distribution activities and hamper the development of UPN.

Antitrust. The Company, through PARAMOUNT PICTURES, is subject to a consent decree, entered in 1948, which contains restrictions on certain motion picture trade practices in the U.S.

European Union Directive. In October 1989, the European Union ("EU",

then the EC and sometimes referred to as the EC) directed each of the 12 European Community member countries to adopt broadcast quota regulations based on its guidelines by October 3, 1991. In March 1995, the Executive Commission of the EU approved revisions to the directive which would, if adopted, increase the discrimination against non-European programming. The EU Council of Ministers modified the proposed revisions in November 1995. In February 1996, the European Parliament recommended further modifications, which are now being considered by both the Executive Commission and the Council of Ministers. At this time, it is impossible to predict what changes will be adopted by the EU, or to predict

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their impact on the Company's theatrical distribution and television syndication businesses. The Company believes that its program services in Europe are in compliance with the EU broadcast quotas.

Video and Music Distribution

Franchising. Certain states, the United States Federal Trade Commission and certain foreign jurisdictions require a franchiser to transmit specified disclosure statements to potential owners before issuing a franchise. Additionally, some states and foreign jurisdictions require the franchiser to register its franchise before its issuance. The Company believes the offering circulars used to market its franchises comply with the Federal Trade Commission guidelines and all applicable laws of states in the United States and foreign jurisdictions regulating the offering and issuance of franchises. The Company's home video and music retailing businesses, other than the franchising aspect, are not generally subject to any government regulation other than customary laws and local zoning and permit requirements.

Cable Television

Federal Regulation

Communications Act; 1996 Telecommunications Act. The Communications Act sets forth the framework under which cable television systems are regulated. On February 8, 1996, the 1996 Telecommunications Act was enacted. When fully implemented by the FCC, this legislation will change regulation of the communications industry, and alter federal, state and local laws and regulations regarding the provision of cable and telephony services. Among other items, the 1996 Telecommunications Act authorizes entry of cable operators and electric utilities into the telephone/telecommunications business. It authorizes entry of telephone companies into the multichannel video distribution business in their own service areas and, beginning in March 1999, eliminates the regulations of certain cable rates. The following is a summary of certain significant aspects of the Communications Act's regulation of cable television, as amended by the 1996 Telecommunications Act:

Rate Regulation. Rates for two types of cable programming tiers of service are currently subject to regulation under the Communications Act: basic service (corresponding to Viacom Cable's "Limited Service" tier) and cable programming service (corresponding to Viacom Cable's "Satellite Value Package") (see "Business--Cable Television"). Rates for premium services (such as SHOWTIME), per-program services (such as pay-per-view events and movies), and "new product tiers" (a new type of tier authorized by the FCC in 1994 which offers broad pricing and packaging flexibility) are not regulated. The FCC may in the future determine to regulate "new product tiers".

For regulated tiers of service, the FCC established a "benchmark" formula to set a cable operator's "initial permitted rate." Cable systems whose rates exceeded the applicable benchmark were required to reduce their rates either to the benchmark or by 17% from those charged on September 30, 1992, whichever reduction was less. These regulations also established the prices that an operator may charge for subscriber equipment and installation services, based

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on the operator's actual cost plus an 11.25% return. The FCC has also adopted standards governing "cost-of service" proceedings pursuant to which a cable operator may attempt to prove that its costs of providing regulated service justify initial permitted rates that are higher than those produced under the benchmark approach.

Once a cable operator establishes its initial rates under either the benchmark or cost of service methods, FCC regulations provide for periodic rate increases on a going-forward basis for certain "external" cost increases exceeding inflation, providing (among other things) a pass-through of, and 7.5% mark-up on, increases in an operator's programming expenses. On November 10, 1994, the FCC adopted "going forward" rules (the "Going Forward Regulations") that increased the mark-up for channels added to regulated tiers (other than the basic tier). These rules allow operators to pass through to subscribers the costs, plus a 20-cent per channel mark-up, for channels newly added to regulated tiers (other than the basic tier). Through 1996, however, operators are subject to an aggregate cap of \$1.50 (no more than \$1.20 of which may be mark-up) on the amount that they may increase their retail rates for cable program service tier rates due to channel additions. In 1997, operators will be entitled to an additional 20-cent per channel mark-up and will no longer be subject to a license fee cap. In addition, the FCC proposed eliminating the current 7.5% operator mark-up on increases in a program service's license fees. The Company, along with other cable industry interests, has opposed this proposal.

Implementation of the FCC's rate regulations has had a negative effect on the Cable Television segment's revenues and earnings from operations. The reduction in revenues in 1994 was partially offset by customer growth and subsequent permitted rate increases. Viacom Cable implemented additional rate increases in 1995 pursuant to the Going Forward Regulations. These increases and future increases will continue to mitigate the adverse impact of rate regulation on revenues of the Cable Television segment. Any adverse revenue impact will be further mitigated when the rates for tiers such as the Company's "Satellite Value Package" (i.e., tiers of service other than basic service) are deregulated commencing March 31, 1999.

The 1996 Telecommunications Act eliminates rate regulation for all tiers of regulated service, other than the basic service tier, after March 31, 1999, or possibly earlier to the extent that any cable system becomes subject to "effective competition" prior to such date. The 1996 Telecommunications Act adds a new "effective competition" test to the three already included in the Communications Act. The new test finds effective competition in areas where a local telephone company, its affiliate, or a multichannel video programming distributor using the facilities of the telephone company or its affiliate -- irrespective of the number of subscribers to the service -- offers programming to subscribers by any means (other than DTH) in the franchise area of the cable system, provided that the programming so offered is "comparable" to the programming provided by the cable operator in that area. Basic service tier regulation will continue without a specific sunset date, but will also end when any cable system becomes subject to "effective competition". (See "Business--Cable Television")

Vertical Integration. Certain pricing and other restrictions (the "program access rules") are imposed on vertically integrated cable programmers (such as the Company) with respect to their dealings with multichannel

distributors of programming, such as cable systems, SMATV systems, MMDS operators and TVRO and DBS distributors (as defined in "Business--Competition--Cable Television"). The FCC's implementing regulations governing access by multichannel distributors to the programming of vertically integrated cable programmers limit the extent to which a vertically integrated cable programmer can differentiate in pricing or other terms and conditions of carriage between and among multichannel distributors. Multichannel distributors may file a complaint with the FCC if they believe that a vertically integrated cable programmer has not complied with these regulations. To date, no complaints have

been filed against the Company. The 1996 Telecommunications Act extends the program access rules to (i) telcos and their affiliates providing video programming to their subscribers by any means and (ii) programmers in which a telco providing video programming has an attributable interest. The FCC's implementing regulations also limit the number of channels on a cable system which may be used to carry the programming of such system's affiliated (vertically integrated) cable programmers. These regulations provide generally that no more than 40% of such a system's channels can be used to carry the programming of the system's affiliated cable programmers. These channel occupancy limits apply only up to 75 channels of a given system.

Must Carry/Retransmission Consent. Commercial television stations which are "local" to communities served by a cable system can elect to require either Must Carry or Retransmission Consent. In addition, a cable system (or other multichannel video distributor) may not carry any commercial non-satellite-delivered television station which is "distant" to communities served by such system or any radio station without obtaining the consent of such station for retransmission; however, these "distant" television stations do not have Must Carry rights. Television stations may require payment in consideration for Retransmission Consent.

The initial round of Must Carry/Retransmission Consent elections occurred in 1993. Pursuant to these elections, the Company has negotiated retransmission rights for a number of commercial television stations which it carries. Some of these agreements are on an interim basis and may be canceled by the stations. The Company carries other television stations pursuant to their exercise of their Must Carry rights. Local non-commercial television stations have Must Carry rights, but may not elect Retransmission Consent. Local commercial television stations must make new Must Carry/Retransmission Consent elections by October 1, 1996. Cable carriage pursuant to these new elections commences January 1, 1997.

Buy-Through to Premium Services. Pursuant to the Communications Act, a cable system may not require subscribers to purchase any tier of service other than the basic service tier in order to obtain other tiers of service or services offered by the cable operator on a per channel (e.g., premium services) or pay-per-view basis. A cable system which is not now fully addressable and which cannot utilize other means to facilitate access to all of its programming will have until 2002 to fully comply with this provision through the implementation of fully addressable technology. The Company's cable systems have already substantially implemented compliance.

Legal Challenges. Lawsuits have been filed challenging various provisions of the Communications Act including the provisions relating to Must Carry and Retransmission Consent (see "Business--Regulation--Broadcasting" above), the pricing and other restrictions imposed on vertically integrated

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cable programmers with respect to their dealings with multichannel programming distributors (see "Business--Regulation--Cable Television--Vertical Integration"), and the mandated availability of cable channels for leased access and PEG programming.

Competitive Entry. The 1996 Telecommunications Act permits telcos to enter the multichannel video distribution business in their service areas either as cable operators, as operators of wireless distribution systems (such as MMDS), as operators of "open video systems" or on a common carrier basis. The 1996 Telecommunications Act further permits registered utility holding companies (which had previously been prohibited from providing cable service under the Public Utilities Holding Company Act) to provide cable services. The 1996 Telecommunications Act also generally eliminates state and local entry barriers which currently either prohibit or restrict an entity's (including a cable operator's) capacity to offer telecommunications services (including telephone exchange service) in competition with telcos and to interconnect on a non-discriminatory basis with telcos and utilize certain telco facilities in order to provide service in competition with a telco. The FCC is required to

adopt regulations implementing the interconnection and non-discriminatory access requirements of the 1996 Telecommunications Act, in order to assure that new entrants such as cable operators have access to network elements of telcos and other carriers, and that the systems built by all telecommunications carriers are interoperable. The Company cannot predict the outcome or impact of these legislative and regulatory efforts, although the Company anticipates that its program services could benefit from the increased distribution opportunities afforded by broadened telco entry into multichannel video distribution. Telcos have stated their general intention to enter the video programming business.

State and Local Regulation

State and local regulation of cable is exercised primarily through the franchising process under which a company enters into a franchise agreement with the appropriate franchising authority ("LFA") and agrees to abide by applicable ordinances. The Communications Act sets up the basic regulatory framework within which LFAs can exercise franchising powers. In general, an LFA may exercise its police power to regulate public rights-of-way and has broad powers with respect to customer service standards. LFAs may impose franchise fees, subject to a federal cap, and may elect to regulate the rates for the basic service tier, subject to compliance with the FCC's benchmark, cost of service and related rules.

Under the Communications Act, LFAs may control only cable-related equipment and facilities requirements and may not require the carriage of specific program services. However, federal law (as implemented by FCC regulations) mandates the carriage of both commercial and non-commercial television broadcast stations "local" to the area in which a cable system is located. (See "Business--Regulation--Cable Television--Must Carry/Retransmission Consent" above)

The Communications Act guarantees cable operators due process rights in franchise renewal proceedings and provides that franchises will be renewed unless the cable operator fails to meet one or more enumerated statutory criteria. The 1996 Telecommunications Act prohibits an LFA from requiring a cable operator to provide telecommunications service or facilities as a condition of renewal, and from specifying the type, use or capacity of equipment

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or technology employed by a cable operator upon renewal. The Company's current franchises expire on various dates through 2017. During the five-year period 1996 through 2000, franchises having an aggregate of approximately 292,000 customers (at December 31, 1995) will expire unless renewed. The Company expects its franchises to be renewed.

Item 2. Properties.

The Company maintains its world headquarters at 1515 Broadway, New York, New York, where it rents approximately one million square feet for executive offices and certain of its operating divisions. The lease runs to 2010, with four renewal options for five years each. The lease also grants the Company options for additional space and a right of first negotiation for other available space in the building. The Company also leases approximately 484,000 square feet of office space at 1633 Broadway, New York, New York, which lease runs to 2010, and approximately 237,000 square feet of office space at 1230 Avenue of the Americas, New York, New York, which lease runs to 2009, which leases contain options to renew. The Company owns the PARAMOUNT PICTURES studio at 5555 Melrose Avenue, Los Angeles, California, which consists of approximately 380 acres containing sound stages, administrative, technical and dressing room structures, screening theaters, machinery and equipment facilities, plus a back lot and parking lots. PARAMOUNT PARKS' operations in the U.S. include approximately 1,640 acres owned and 295 acres leased and in Canada include approximately 380 acres owned. The Company owns the Blockbuster Entertainment Group headquarters at 200 South Andrews Avenue, Fort Lauderdale, Florida, which consists of approximately 148,000 square feet of office space, supplemented by another approximately 97,000 square feet of leased office space at 110 East

Broward Avenue, Fort Lauderdale, Florida. The BLOCKBUSTER retail and distribution operations in the U.S. and Canada consist of approximately 56 owned properties, aggregating approximately 361,000 square feet, and approximately 3,303 leased locations, aggregating approximately 21.9 million square feet. Facilities within the Publishing segment (other than executive offices at 1230 Avenue of the Americas described above) include approximately 7,653,000 square feet of space, of which approximately 5,070,000 square feet are leased. The facilities are used for warehouse, distribution and administrative functions. The Company's cable television systems include a combination of owned and leased premises in California, Ohio, Oregon, Tennessee and Washington (the location of Viacom Cable's franchises) and each system's electronic distribution equipment.

The Company also owns and leases office, studio, retail and warehouse space in various cities in the U.S., Canada and several countries around the world for its businesses. The Company considers its properties adequate for its present needs.

Item 3. Legal Proceedings.

On August 18, 1994, the District Court in and for Dallas County, Texas entered a judgment in favor of the plaintiffs in the action Howell v. Blockbuster Entertainment Corporation, et al. (Cause No. 91-10193-M). The defendants included Blockbuster Entertainment Corporation ("BEC"), which has been merged into the Company, and Video Superstores Master Limited Partnership, a dissolved limited partnership that was indirectly controlled by BEC at the time of its dissolution. The judgment was based upon plaintiffs' claims of

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breach of fiduciary duty, fraud, conspiracy, breach of contract and tortious interference with contract and claims under Texas partnership law in connection with the defendants' treatment, and ultimate acquisition, of plaintiffs' interest in a limited partnership which owned three Blockbuster stores. The court entered judgment against all defendants, jointly and severally, in the amount of \$14,850,175, including compensatory damages, attorneys fees and prejudgment interest. In addition, the Court entered judgment totaling \$108,840,030 for exemplary damages. The Howell action was settled in December 1995 with the payment by the Company of an amount without material adverse effect on its financial condition or result of operations. The settlement involved the vacation of the judgment and withdrawal of all the Court's findings of fact and conclusions of law.

On September 27, 1994, an action captioned Murphy, et al. v. Blockbuster Entertainment Corporation, et al. (Cause No. 94-10051-M) was filed in the District Court in and for Dallas County, Texas by plaintiffs representing the two other limited partners of plaintiff Howell in the litigation described above. Plaintiffs assert the same basic causes of action as in Howell and have claimed they are entitled to actual damages in excess of \$240 million and punitive damages in excess of \$1 billion. The Company believes that it has substantial defenses to these claims, including, among others, that the claims are barred by the statute of limitations and by releases entered into by the plaintiffs or their predecessors, and intends to vigorously defend the claims. (While the Company maintained that certain of these defenses were also available in the Howell litigation, significantly stronger facts support their application in this litigation.) In addition, the Murphy plaintiffs have stipulated that they will make no use of the Howell judgment or findings of fact or conclusions of law in their action.

Antitrust Matters. On September 23, 1993, the Company filed an action in the United States District Court for the Southern District of New York styled Viacom International Inc. v. Tele-Communications, Inc., et al., Case No. 93 Civ 6658. The complaint (as amended on November 9, 1993) alleged violations of Sections 1 and 2 of the Sherman Act, Section 7 of the Clayton Act, Section 12 of the Cable Act, and New York's Donnelly Act, and tortious interference, against all defendants, and a breach of contract claim against certain defendants, including Tele-Communications, Inc. ("TCI"). The claims for relief in the

complaint are based in significant part on allegations that defendants exert monopoly power in the U.S. cable industry through their control over approximately one in four of all cable households in the U.S. In addition to other relief, the Company seeks injunctive relief against defendants' anticompetitive conduct and damages in an amount to be determined at trial, including trebled damages and attorneys' fees.

The Company has announced that it has provisionally agreed to settle this action, subject to certain conditions, including, among other things, the effectiveness of a new affiliation agreement covering TCI's long-term carriage of SHOWTIME and THE MOVIE CHANNEL and the consummation of the split-off of the Company's cable television systems (see "Business--Cable Television"). The action is currently suspended pending satisfaction of certain conditions which, if satisfied, would lead to settlement of the action.

Certain subsidiaries of the Company from time to time receive claims from federal and state environmental regulatory agencies and other entities

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asserting that they are or may be liable for environmental cleanup costs and related damages arising out of former operations. While the outcome of these claims cannot be predicted with certainty, on the basis of its experience and the information currently available to it, the Company does not believe that the claims it has received will have a material adverse effect on its results of operations financial position or cash flows (see "Item 6. Selected Financial Data" and "Item 7. Management's Discussion and Analysis of Results of Operations and Financial Condition").

The Company and various of its subsidiaries are parties to certain other legal proceedings. However, these proceedings are not likely to result in judgments that will have a material adverse effect on its results of operations, financial position or cash flows.

Financial Information About Foreign and Domestic Operations

Financial information relating to foreign and domestic operations for each of the last three years ending December 31, is set forth in Notes 13 and 14 to the Consolidated Financial Statements of the Company included elsewhere herein.

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

Not Applicable

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Executive Officers of the Company

Set forth below is certain information concerning the current executive officers of the Company, which information is hereby included in Part I of this report.

Name	Age	Title
Sumner M. Redstone	72	Chairman of the Board of Directors and Chief Executive Officer
Philippe P. Dauman	42	Deputy Chairman, Executive Vice President, General Counsel, Chief Administrative Officer and Secretary and Director
Thomas E. Dooley	39	Deputy Chairman, Executive Vice President-- Finance, Corporate Development and Communications and Director

Vaughn A. Clarke	42	Senior Vice President, Treasurer
Carl D. Folta	38	Senior Vice President, Corporate Relations
Michael D. Fricklas	36	Senior Vice President, Deputy General Counsel
Susan C. Gordon	42	Vice President, Controller and Chief Accounting Officer
Rudolph L. Hertlein	55	Senior Vice President, Corporate Development
Edward D. Horowitz	48	Senior Vice President, Technology of the Company; Chairman, Chief Executive Officer of Viacom Interactive Media
William A. Roskin	53	Senior Vice President, Human Resources and Administration
George S. Smith, Jr	47	Senior Vice President, Chief Financial Officer
Mark M. Weinstein	53	Senior Vice President, Government Affairs

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

Mr. Redstone has been a Director of the Company since 1986 and Chairman of the Board since 1987, acquiring the additional title of Chief Executive Officer in January 1996. Mr. Redstone has served as President, Chief Executive Officer of NAI since 1967, and continues to serve in such capacity; he has also served as the Chairman of the Board of NAI since 1986. Mr. Redstone became a Director of Spelling in 1994. He served as the first Chairman of the Board of the National Association of Theatre Owners, and is currently a member of the Executive Committee of that organization. During the Carter Administration, Mr. Redstone was appointed a member of the Presidential Advisory Committee on the Arts for the John F. Kennedy Center for the Performing Arts and, in 1984, he was appointed a Director of the Kennedy Presidential Library Foundation. Since 1982, Mr. Redstone has been a member of the faculty of Boston University Law School, where he has lectured in entertainment law, and since 1994, he has been a

Visiting Professor at Brandeis University. In 1944, Mr. Redstone graduated from Harvard University and, in 1947, received an LL.B. from Harvard University School of Law. Upon graduation, he served as Law Secretary with the United States Court of Appeals, and then as a Special Assistant to the United States Attorney General.

Mr. Dauman has been a Director of the Company since 1987 and was appointed Deputy Chairman of the Company in January 1996. In March 1994, he was elected Executive Vice President, General Counsel, Chief Administrative Officer and Secretary of the Company. From February 1993 to March 1994, he served as Senior Vice President, General Counsel and Secretary of the Company. Prior to that, Mr. Dauman was a partner in the law firm of Shearman & Sterling in New York, which he joined in 1978. Mr. Dauman became a Director of NAI in 1992 and a Director of Spelling in 1994.

Mr. Dooley was appointed a Director and Deputy Chairman of the Company in January 1996 and has been an executive officer of the Company since January 1987. In March 1994, he was elected Executive Vice President--Finance, Corporate Development and Communications of the Company. From July 1992 to March 1994, Mr. Dooley served as Senior Vice President, Corporate Development of the Company. From August 1993 to March 1994, he also served as President, Interactive Television. Prior to that, he served as Vice President, Treasurer of the Company since 1987. In December 1990, he was named Vice President, Finance of the Company. Mr. Dooley joined Viacom International Inc. in 1980 in the corporate finance area and has held various positions in the corporate and divisional finance areas.

Mr. Clarke was elected Senior Vice President, Treasurer of the Company

in July 1994, having joined the Company as Vice President, Treasurer in April 1993. Prior to that, he spent 12 years at Gannett Co., Inc., where he held various management positions, most recently as Assistant Treasurer.

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

Mr. Fricklas was elected Senior Vice President, Deputy General Counsel of the Company in March 1994. From June 1993 to March 1994, he served as Vice President, Deputy General Counsel of the Company. He served as Vice President, General Counsel and Secretary of Minorco (U.S.A.) Inc. from 1990 to 1993. Prior to that, Mr. Fricklas was an attorney in private practice at the law firm of Shearman & Sterling.

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

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Mr. Hertlein was elected Senior Vice President of the Company in July 1994. Prior to that, he served as Senior Vice President and Controller of Paramount from September 1993 to July 1994 and as Senior Vice President, Internal Audit and Special Projects of Paramount from September 1992 to September 1993 and, before that, as Vice President, Internal Audit and Special Projects of Paramount.

Mr. Horowitz has been an executive officer of the Company since April 1989. In March 1994, he was elected Senior Vice President, Technology of the Company and Chairman, Chief Executive Officer of Viacom Interactive Media. Prior to that, he served as Senior Vice President of the Company from April 1989 and as Chairman, Chief Executive Officer of Viacom Broadcasting from July 1992 to March 1994. From 1974 to April 1989, Mr. Horowitz held various positions with HBO, most recently as Senior Vice President, Technology and Operations. Mr. Horowitz held several other management positions with HBO, including Senior Vice President, Network Operations and New Business Development and Vice President, Affiliate Sales.

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

Mr. Smith has been an executive officer of the Company since May 1985. In November 1987, he was elected Senior Vice President, Chief Financial Officer of the Company and he continues to serve in such capacities. In May 1985, Mr. Smith was elected Vice President, Controller and, in October 1987, he was elected Vice President, Chief Financial Officer of the Company. From 1983 until May 1985, he served as Vice President, Finance and Administration of the Viacom Broadcasting and from 1981 until 1983, he served as Controller of Viacom Radio. Mr. Smith joined the Company in 1977 in the Corporate Treasurer's office and until 1981 served in various financial planning capacities.

Mr. Weinstein has been an executive officer of the Company since January 1986. In February 1993, he was elected Senior Vice President, Government Affairs of the Company. Prior to that, Mr. Weinstein served as Senior Vice President,

General Counsel and Secretary of the Company since the fall of 1987. In January 1986, Mr. Weinstein was appointed Vice President, General Counsel of the Company. From 1976 through 1985, he was Deputy General Counsel of Warner Communications Inc. and in 1980 became Vice President. Previously, Mr. Weinstein was an attorney in private practice at the law firm of Paul, Weiss, Rifkind, Wharton & Garrison.

PART II

ITEM 5. MARKET FOR VIACOM INC.'S COMMON EQUITY AND RELATED SECURITY HOLDER MATTERS.

Viacom Inc. voting Class A Common Stock and Viacom Inc. non-voting Class B Common Stock are listed and traded on the American Stock Exchange ("AMEX") under the symbols "VIA" and "VIA B", respectively.

The following table sets forth, for the calendar period indicated, the per share range of high and low sales prices for Viacom Inc.'s Class A Common Stock and Class B Common Stock, as reported on the AMEX Composite Tape.

	VIACOM CLASS A COMMON STOCK		VIACOM CLASS B COMMON STOCK	
	HIGH	LOW	HIGH	LOW
1995				
1st quarter.....	\$48 1/4	\$41 1/8	\$47 3/8	\$40 1/4
2nd quarter.....	49 1/2	41	48 5/8	40 3/4
3rd quarter.....	54 1/8	44 3/4	54 1/4	44 5/8
4th quarter.....	50 5/8	44	50 3/4	44 5/8
1994				
1st quarter.....	\$49 3/4	\$28 1/2	\$45	\$23 3/4
2nd quarter.....	34 1/4	24 1/2	32 1/2	21 3/4
3rd quarter.....	41 3/4	33 7/8	39 3/4	30 1/4
4th quarter.....	42 1/8	38	41	37 1/8

Viacom Inc. has not declared cash dividends on its common stock and has no present intention of so doing.

As of March 22, 1996 there were approximately 13,307 holders of Viacom Inc. Class A Common Stock, and 24,622 holders of Viacom Inc. Class B Common Stock.

ITEM 6. SELECTED FINANCIAL DATA.

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

YEAR ENDED DECEMBER 31,

	1995	1994	1993	1992	1991
Revenues.....	\$ 11,688.7	\$ 7,363.2	\$ 2,004.9	\$ 1,864.7	\$ 1,711.6
Operating income (a) before depreciation and amortization.....	\$ 2,313.7	\$ 1,074.0	\$ 538.1	\$ 492.7	\$ 445.1
Depreciation and amortization....	\$ 820.4	\$ 465.7	\$ 153.1	\$ 144.8	\$ 132.9
Operating income (a).....	\$ 1,493.3	\$ 608.3	\$ 385.0	\$ 347.9	\$ 312.2
Earnings (loss) before extraordinary loss and cumulative effect of change in accounting principle.....	\$ 222.5	\$ 110.0	\$ 169.5	\$ 66.1	\$ (46.6)
Net earnings (loss).....	\$ 222.5	\$ 89.6	\$ 171.0	\$ 49.0	\$ (49.7)
Net earnings (loss) attributable to common stock.....	\$ 162.5	\$ 14.6	\$ 158.2	\$ 49.0	\$ (49.7)
Primary and fully diluted net earnings (loss) per common share: Earnings (loss) from continuing operations before extraordinary loss and cumulative effect of change in accounting principle...\$.41	.25	1.30	.55	(.41)
Net earnings (loss).....	\$.43	\$.07	\$ 1.31	\$.41	\$ (.44)
At year end:					
Total assets.....	\$ 29,026.0	\$ 28,273.7	\$ 6,416.9	\$ 4,317.1	\$4,188.4
Long-term debt, net of current portion.....	\$ 10,712.1	\$ 10,402.4	\$ 2,440.0	\$ 2,397.0	\$2,320.9
Shareholders' equity.....	\$ 12,093.8	\$ 11,791.6	\$ 2,718.1	\$ 756.5	\$ 699.5

(a) Operating income is defined as net earnings before cumulative effect of change in accounting principle, extraordinary losses, discontinued operations, minority interest, equity in earnings (loss) of affiliated companies (net of tax), income taxes, other items (net), and interest expense.

See Notes to Consolidated Financial Statements for information on transactions and accounting classifications which have affected the comparability of the periods presented above. Viacom Inc. has not declared cash dividends on its common stock for any of the periods presented above.

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ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

GENERAL

Management's discussion and analysis of the combined results of operations and financial condition of Viacom Inc. (the "Company") should be read in conjunction with the Consolidated Financial Statements and related Notes. Descriptions of all documents incorporated by reference herein or included as exhibits hereto are qualified in their entirety by reference to the full text of such documents so incorporated or included.

During 1994, the Company made two significant acquisitions of large and diversified businesses. Where appropriate the Company has merged the operations of previously existing and acquired businesses. Comparisons of results of operations have been significantly affected by such acquisitions and merging of operations. On March 11, 1994, the Company acquired a majority of the outstanding shares of Paramount Communications Inc. ("Paramount Communications") by tender offer; on July 7, 1994, Paramount Communications became a wholly owned subsidiary of the Company (the "Paramount Merger"); and on January 3, 1995, Paramount Communications was merged into Viacom International. On September 29, 1994, Blockbuster Entertainment Corporation ("Blockbuster") merged with and into the Company (the "Blockbuster Merger"). Paramount Communications' and

Blockbuster's results of operations are included commencing March 1, 1994 and October 1, 1994, respectively.

The Company's consolidated statements of operations reflect five operating segments:

NETWORKS AND BROADCASTING - Basic Cable and Premium Subscription Television Program Services, Television and Radio Stations.

ENTERTAINMENT - Production and Distribution of Motion Pictures and Television Programming as well as Movie Theater Operations, and New Media and Interactive Services.

VIDEO AND MUSIC/THEME PARKS - Home Video and Music Retailing, and Theme Parks.

PUBLISHING - Education; Consumer; Business and Professional; Reference; and International Groups.

CABLE TELEVISION - Cable Television Distribution Systems. (See Note 3 of Notes to Consolidated Financial Statements.)

The following tables set forth revenues, operating income and operating income before interest, taxes, depreciation and amortization ("EBITDA"), by business segment, with the year ended December 31, 1994 presented on a pro forma and historical basis. The pro forma information is provided in addition to historical information solely to assist in the comparison of results of operations and is not necessarily indicative of the combined results of operations of Viacom, Paramount Communications and Blockbuster that would have occurred if the completion of the Mergers and related transactions had occurred on January 1, 1994.

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MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Also included is a comparison of actual EBITDA to pro forma EBITDA, which does not reflect the effect of significant amounts of amortization of goodwill related to the Mergers and other business combinations accounted for under the purchase method of accounting. While many in the financial community consider EBITDA to be an important measure of comparative operating performance, it should be considered in addition to, but not as a substitute for or superior to, operating income, net earnings, cash flow and other measures of financial performance prepared in accordance with generally accepted accounting principles.

BUSINESS SEGMENT INFORMATION
(Millions of dollars)

	YEAR ENDED DECEMBER 31,		PERCENT CHANGE	YEAR ENDED DECEMBER 31,	
	1995	1994		1994 (C)	1993
	-----		-----	-----	-----
	PRO FORMA				
REVENUES:					
Networks and Broadcasting.....	\$2,137.4	\$1,886.0	13%	\$1,855.1	\$1,403.0
Entertainment.....	3,650.4	2,938.7	24	2,285.2	209.1

Video and Music/Theme Parks.....	3,333.4	2,907.8	15	1,070.4	--
Publishing.....	2,171.1	2,027.5	7	1,786.4	--
Cable Television.....	444.4	406.2	9	406.2	416.0
Intercompany.....	(48.0)	(44.6)	8	(40.1)	(23.2)
	-----	-----		-----	-----
Total revenues.....	\$11,688.7	\$10,121.6	15	\$7,363.2	\$2,004.9
	=====	=====		=====	=====
OPERATING INCOME (a):					
Networks and Broadcasting.....	\$ 561.3	\$ 447.0	26%	\$ 357.1	\$ 314.4
Entertainment.....	307.3	129.9	137	(88.4)	32.5
Video and Music/Theme Parks.....	501.5	388.3	29	199.5	--
Publishing.....	186.3	121.3	54	193.9	--
Cable Television.....	101.1	78.8	28	78.8	110.2
	-----	-----		-----	-----
Segment operating income.....	1,657.5	1,165.3	42	740.9	457.1
Corporate.....	(164.2)	(125.3)	31	(132.6)	(72.1)
	-----	-----		-----	-----
Total operating income.....	\$1,493.3	\$1,040.0	44	\$ 608.3	\$ 385.0
	=====	=====		=====	=====
EBITDA (b):					
Networks and Broadcasting.....	\$ 678.3	\$ 549.0	24%	\$ 453.3	\$ 382.6
Entertainment.....	445.9	265.5	68	6.0	42.0
Video and Music/Theme Parks.....	823.0	688.5	20	289.9	--
Publishing.....	340.2	254.9	33	296.9	--
Cable Television.....	182.9	155.2	18	155.2	181.7
	-----	-----		-----	-----
Segment EBITDA.....	2,470.3	1,913.1	29	1,201.3	606.3
Corporate.....	(156.6)	(119.7)	31	(127.3)	(68.2)
	-----	-----		-----	-----
Total EBITDA.....	\$2,313.7	\$1,793.4	29	\$1,074.0	\$ 538.1
	=====	=====		=====	=====

(a) Operating income is defined as net earnings before cumulative effect of change in accounting principle, extraordinary losses, discontinued operations, minority interest, equity in earnings (loss) of affiliated companies (net of tax), income taxes, other items (net), and interest expense.

(b) EBITDA is defined as operating income before depreciation and amortization.

(c) Paramount Communications' and Blockbuster's results of operations are included commencing March 1, 1994 and October 1, 1994, respectively.

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MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

RESULTS OF OPERATIONS

1995 VERSUS 1994

Revenues increased to \$11.7 billion for 1995 from \$7.4 billion for 1994. EBITDA increased to \$2.3 billion for 1995 from \$1.1 billion for 1994. Operating income increased to \$1.5 billion for 1995 from \$608.3 million for 1994.

The comparability of results of operations for 1995 and 1994 has been affected by the Mergers and the non-recurring merger-related charges (see Note 2 of Notes to Consolidated Financial Statements). The following discussion of segment results of operations includes the 1994 results of operations presented on a pro forma basis, as if the Mergers occurred on January 1, 1994, and are adjusted to exclude non-recurring merger-related charges.

Revenues increased 15% to \$11.7 billion for 1995 from pro forma revenues of \$10.1 billion for 1994. EBITDA increased 29% to \$2.3 billion for 1995 from pro forma EBITDA of \$1.8 billion for 1994. Operating income increased 44% to \$1.5

billion for 1995 from pro forma operating income of \$1.0 billion for 1994.

SEGMENT RESULTS OF OPERATIONS - 1995 VERSUS PRO FORMA 1994

NETWORKS AND BROADCASTING (Basic Cable and Premium Subscription Television
Program Services, Television and Radio Stations)

The Networks and Broadcasting segment is comprised of MTV Networks ("MTVN"), Showtime Networks Inc. ("SNI"), television stations and radio stations. Revenues increased 13% to \$2.1 billion for 1995 from \$1.9 billion for 1994. EBITDA increased 24% to \$678.3 million for 1995 from \$549.0 million for 1994. Operating income increased 26% to \$561.3 million for 1995 from \$447.0 million for 1994. MTVN revenues of \$1.0 billion, EBITDA of \$410.9 million and operating income of \$355.8 million increased 20%, 26% and 25%, respectively. The increase in MTVN's revenues was principally attributable to higher advertising revenues due to rate increases and to a lesser extent increased affiliate revenues. MTVN's EBITDA and operating income gains were driven by the increased revenues partially offset by higher operating costs, primarily representing increased programming costs. SNI's revenues, EBITDA and operating income increased 6%, 44% and 51%, respectively, reflecting an increase of 1.3 million subscribers from December 31, 1994, partially offset by the absence in 1995 of royalty revenues resulting from the settlement of a contractual claim with a third party during 1994 and increased programming costs. The television and radio stations revenues increased 10%, EBITDA increased 12% and operating income increased 16% primarily reflecting increased advertising revenues and the Company's acquisition of television stations in large markets, offset by the disposition of television stations in smaller markets.

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MANAGEMENT DISCUSSION AND ANALYSIS OF
RESULTS OF OPERATIONS AND FINANCIAL CONDITION

ENTERTAINMENT (Motion Pictures and Television Programming, Movie Theaters, and
New Media and Interactive Services)

The Entertainment segment is principally comprised of Paramount Pictures, Paramount Television, Spelling Entertainment Group Inc. ("Spelling"), and the former Viacom Entertainment. Revenues increased 24% to \$3.7 billion for 1995 from \$2.9 billion for 1994. EBITDA increased 68% to \$445.9 million for 1995 from \$265.5 million for 1994. Operating income increased 137% to \$307.3 million for 1995 from \$129.9 million for 1994. The increase in results of operations is attributable to a number of factors, notably during 1995 the strong home video performance of Paramount Pictures' Forrester Gump, Clear and Present Danger, Congo and Star Trek: Generations and the sale of certain syndication rights to Carsey Werner, as compared to the 1994 domestic and foreign theatrical success of Forrester Gump and Clear and Present Danger. The Company also recognized approximately \$250.0 million of revenues and \$68.0 million of EBITDA and operating income during 1995 resulting from the conforming of accounting policies pertaining to the television programming libraries of Viacom Entertainment, Spelling and Paramount.

License fees for the television exhibition of motion pictures and for syndication and basic cable exhibition of television programming are recorded as revenue in the year that the products are available for such exhibition, which, among other reasons, may cause substantial fluctuation in operating results. As of December 31, 1995, the unrecognized revenues attributable to such licensing agreements were approximately \$1.1 billion.

The Company is currently exploring the sale of Spelling Entertainment Group Inc. ("Spelling") and the related purchase of Spelling's interest in Virgin Interactive Entertainment Limited ("Virgin"). An independent committee of Spelling's Board of Directors has been formed to negotiate the terms of the Virgin transaction. The Company acquired its approximately 75% interest in the

common equity of Spelling as a part of the Blockbuster Merger.

VIDEO AND MUSIC/THEME PARKS (Home Video and Music Retailing/Theme Parks)

The Video and Music/Theme Parks segment is comprised of Blockbuster Video and Music, and Paramount Parks. Revenues increased 15% to \$3.3 billion for 1995 from \$2.9 billion for 1994. EBITDA increased 20% to \$823.0 million for 1995 from \$688.5 million for 1994. Operating income increased 29% to \$501.5 million for 1995 from \$388.3 million for 1994. The gains in results of operations primarily reflect the increased number of domestic Company-owned video stores in operation in 1995 as compared to 1994 and an increase of greater than 3% in same-store sales, partially offset by increased overall operating and overhead expenses. Music stores revenues increased \$26.4 million, EBITDA and operating income decreased \$13.4 million and \$20.2 million, respectively, reflecting the highly competitive music retail environment. Theme Parks revenues increased \$10.3 million, EBITDA increased \$7.3 million and operating income increased \$6.9 million primarily reflecting increased attendance, and the acquisition of a water park partially offset by increased operating expenses and in the case of operating income, higher depreciation expenses.

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MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

PUBLISHING (Education; Consumer; Business and Professional; Reference; and International Groups)

Publishing is comprised of Simon & Schuster which includes imprints such as Simon & Schuster, Pocket Books, Prentice Hall and Macmillan Computer Publishing. Revenues increased 7% to \$2.2 billion for 1995 from \$2.0 billion for 1994. EBITDA increased 33% to \$340.2 million for 1995 from \$254.9 million for 1994. Operating income increased 54% to \$186.3 million for 1995 from \$121.3 million for 1994. Results of operations primarily reflect increased Education Group sales resulting from strong Higher Education frontlist sales and increased Elementary and Secondary Group state adoptions and contributions from Consumer Group frontlist titles at Pocket Books. EBITDA and operating income for 1994 reflect an aggregate charge of \$32.8 million attributable to certain non-recurring transition costs and the pro forma results of operations of Macmillan for the two months prior to acquisition.

CABLE TELEVISION (Cable Television Distribution Systems)

Cable Television revenues increased 9% to \$444.4 million for 1995 from \$406.2 million for 1994, primarily attributable to increased primary, premium and pay-per-view revenues. EBITDA increased 18% to \$182.9 million for 1995 from \$155.2 million for 1994. Operating income increased 28% to \$101.1 million for 1995 from \$78.8 million for 1994. The increased results of operations reflect 13% and 4% increases in average premium and primary customers, a 5% increase in primary rates, partially offset by a 7% decrease for the average premium rate. Total revenues per primary customer per month increased 5% to \$31.90 for 1995 from \$30.30 for 1994.

As of December 31, 1995, Viacom Cable served approximately 1,180,000 primary customers subscribing to approximately 921,000 premium units, representing an increase of 4% and 5%, respectively, since December 31, 1994.

On July 24, 1995, Viacom announced a multi-step transaction which, if completed, would result in the split-off of its cable operations (see Note 3 of Notes to Consolidated Financial Statements).

OTHER INCOME AND EXPENSE INFORMATION

- - - - -
Corporate expenses

Corporate expenses, including depreciation, increased 24% to \$164.2 million for 1995 from \$132.6 million for 1994. The increase in Corporate expenses reflects the recognition of higher systems, facility and incentive compensation obligations that occurred in 1995.

Interest Expense

Net interest expense of \$821.4 million for 1995 compared to \$494.1 million for 1994 reflects the effects of the full year impact of the issuance of 8% exchangeable subordinated debentures and debt incurred and acquired as part of the Mergers and the issuance of notes during 1995, offset by decreased bank borrowings. The notes issued during 1995, pursuant to the shelf registration statement described in Liquidity and Capital Resources, were \$350 million of 6.75% Senior Notes, \$200 million of 7.625% of Senior Debentures and \$1 billion of 7.75% Senior Notes. The Company had approximately \$10.8 billion and \$10.4 billion principal amount of debt outstanding as of

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MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

December 31, 1995 and December 31, 1994, respectively, at a weighted average interest rate of 7.4% and 7.5%. (See Note 7 of Notes to Consolidated Financial Statements.)

Other Items, Net

For 1995, "Other items, net" primarily reflects a gain on the sale of marketable securities.

For 1994, "Other items, net" primarily reflects the pre-tax gain of \$267.4 million, which resulted from the sale of the Company's one-third partnership interest in Lifetime for \$317.6 million in April 1994. Proceeds from the sale were used to reduce outstanding debt.

Provision for Income Taxes

The provision for income taxes represents federal, state and foreign income taxes on earnings before income taxes. The annual effective tax rates of 61% for 1995 and 74% for 1994 were both adversely affected by amortization of intangibles resulting from the Mergers which are not deductible for tax purposes.

Equity in Earnings (Loss) of Affiliates

"Equity in loss of affiliated companies, net of tax" was \$53.9 million for 1995 as compared to earnings of \$18.6 million for 1994, primarily reflecting, in 1995, an equity loss, net of tax, of \$49.4 million related to the Company's approximately 49% interest in Discovery Zone and net losses of equity investments in international start-up ventures, partially offset by improved operating results of USA Networks.

Minority Interest

Minority interest primarily represents the minority ownership of Spelling's common stock for 1995 and fourth quarter 1994 and minority ownership of Paramount Communications' common stock, for the period March through June 1994.

Discontinued Operations

Discontinued operations reflect the results of operations of Madison Square Garden Corporation ("MSG"), which was sold March 10, 1995. The Company acquired MSG during March 1994 as a part of the Paramount Merger. (See Note 4 of Notes to Consolidated Financial Statements.)

Extraordinary Losses

During 1994, the Company refinanced its existing credit facilities and therefore recognized an after-tax extraordinary loss from the extinguishment of debt of \$20.4 million, net of tax benefit of \$11.9 million.

Revenues increased 267% to \$7.4 billion for 1994 from \$2.0 billion for 1993. EBITDA increased 100% to \$1.1 billion for 1994 from \$538.1 million for 1993. Operating income increased 58% to \$608.3 million for 1994 from \$385.0 million for 1993. The foregoing increases in results of

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MANAGEMENT DISCUSSION AND ANALYSIS OF
RESULTS OF OPERATIONS AND FINANCIAL CONDITION

operations are principally attributable to the acquisitions of Paramount Communications and Blockbuster, partially offset by the merger-related charges described below.

Operating income for 1994 includes merger-related charges, reflecting the integration of the Company's pre-merger businesses with similar Paramount units, and related management and strategic changes. Such amounts relate principally to adjustments of programming assets based upon new management strategies and additional programming sources resulting from the Paramount Merger and, with respect to Corporate, the combination of the employees of the Company and Paramount Communications.

	OPERATING INCOME	MERGER-RELATED CHARGES	OPERATING INCOME PRIOR TO MERGER-RELATED CHARGES
	-----	-----	-----
(MILLIONS OF DOLLARS)			
Networks and Broadcasting....	\$ 357.1	\$ 90.7	\$ 447.8
Entertainment.....	(88.4)	224.0	135.6
Video and Music/Theme Parks..	199.5	--	199.5
Publishing.....	193.9	--	193.9
Cable Television.....	78.8	--	78.8
Corporate.....	(132.6)	17.4	(115.2)
	-----	-----	-----
	\$ 608.3	\$332.1	\$ 940.4
	=====	=====	=====

The comparability of results of operations for 1994 and 1993 has been affected by (i) the Paramount Merger, (ii) the Blockbuster Merger, and (iii) the merger-related charges all of which are non-recurring charges. The following discussion of results of operations is exclusive of merger-related charges.

SEGMENT RESULTS OF OPERATIONS - 1994 VERSUS 1993

NETWORKS AND BROADCASTING

Revenues increased 32% to \$1.9 billion for 1994 from \$1.4 billion for 1993. EBITDA increased 42% to \$544.0 million for 1994 from \$382.6 million for 1993. Operating income increased 42% to \$447.8 million for 1994 from \$314.4 million for 1993. The increase in revenues, EBITDA and operating income resulted from increased advertising revenues of MTVN, modest increases in operating results of SNI and the Company's previously existing television and radio stations, and the acquisition of the Paramount television stations. MTVN revenues of \$852.2 million, EBITDA of \$326.8 million and operating income of \$284.5 million increased 26%, 20% and 19%, respectively. The increase in MTVN's revenues was principally attributable to increased advertising revenues due to rate increases. The increase in MTVN's EBITDA was driven by increased advertising revenues partially offset by increased operating costs, as well as aggregate losses of \$15.0 million associated with the development of MTV Latino, Nickelodeon Magazine and VH-1 U.K. The Paramount television stations reported revenues of \$210.4 million, EBITDA of \$83.1 million and operating income of \$65.8 million for the period subsequent to their acquisition.

MANAGEMENT DISCUSSION AND ANALYSIS OF
RESULTS OF OPERATIONS AND FINANCIAL CONDITION

ENTERTAINMENT

Revenues increased to \$2.3 billion for 1994 from \$209.1 million for 1993. EBITDA increased to \$230.0 million for 1994 from \$42.0 million for 1993. Operating income increased to \$135.6 million for 1994 from \$32.5 million for 1993. The increase in revenues, EBITDA and operating income resulted primarily from the acquisitions of Paramount Pictures and Spelling. Theatrical feature film and television programming results reflect revenues of \$1.9 billion, EBITDA of \$227.8 million and operating income of \$157.7 million. The Entertainment segment's operating income was partially offset by Viacom Interactive Media's loss from operations of \$28.6 million, including start-up costs associated with the development of new businesses. Results of operations primarily reflect theatrical feature film revenues, including the domestic and foreign box office success of Forrester Gump and Clear and Present Danger, as well as television programming revenues including network and syndication sales. Operating income benefited from a lower cost base and efficiencies associated with the Paramount Merger.

VIDEO AND MUSIC/THEME PARKS

Revenues, EBITDA and operating income were \$1.1 billion, \$289.9 million and \$199.5 million, respectively. Video and Music revenues, EBITDA and operating income were \$735.7 million, \$220.3 million and \$167.8 million, respectively, reflecting results of operations beginning October 1, 1994 and the continued expansion of video and music stores. Theme Parks revenues, EBITDA and operating income were \$334.7 million, \$69.6 million and \$31.7 million, respectively, reflecting the full 1994 operating season (May through September) of the theme parks.

PUBLISHING

Publishing revenues, EBITDA and operating income were \$1.8 billion, \$296.9 million and \$193.9 million, respectively, subsequent to its acquisition in March 1994. Results of operations reflect Simon & Schuster's Higher Education, Consumer and International groups, and the U.S. publishing assets of Macmillan, Inc.

CABLE TELEVISION

Cable Television revenues decreased 2% to \$406.2 million for 1994 from \$416.0 million for 1993, primarily attributable to a decrease in basic revenues. EBITDA decreased 15% to \$155.2 million for 1994 from \$181.7 million for 1993. Operating income decreased 28% to \$78.8 million for 1994 from \$110.2 million for 1993. The results reflect a 10% decrease in average rates for primary services, partially offset by a 3% increase in average primary customers. Total revenue per primary customer per month decreased 5% to \$30.30 for 1994 from \$32.03 for 1993. The revenue variances reflect the effect of the FCC rate regulations pursuant to the 1992 Cable Act governing rates in effect as of September 1, 1993 and as of May 15, 1994. The decrease in EBITDA and operating income principally reflect the decreased revenues attributable to the above rate regulations and increased operating, general and administrative expenses.

MANAGEMENT DISCUSSION AND ANALYSIS OF
RESULTS OF OPERATIONS AND FINANCIAL CONDITION

As of December 31, 1994, Viacom Cable served approximately 1,139,000 primary

customers subscribing to approximately 875,000 premium units, representing an increase of 4% and 22%, respectively, since December 31, 1993.

OTHER INCOME AND EXPENSE INFORMATION

Corporate Expenses

Corporate expenses including depreciation increased 60% to \$115.2 million in 1994 from \$72.1 million in 1993 reflecting overall increased expenses primarily attributable to the mergers.

Interest Expense

Net interest expense of \$494.1 million for 1994 compared to \$145.0 million for 1993 reflects increased bank borrowing, the issuance of the 8% exchangeable subordinated debentures and debt acquired as part of the Mergers. The Company had approximately \$10.4 billion and \$2.5 billion principal amounts of debt outstanding as of December 31, 1994 and December 31, 1993 at weighted average interest rates of 7.5% and 5.3%, respectively.

Other Items, Net

For 1993, "Other items, net" reflects the pre-tax gain of approximately \$55.0 million from the sale of the stock of the Wisconsin cable system, a pre-tax gain of \$17.4 million in the aggregate from sales of a portion of an investment held at cost, partially offset by an increase of \$9.1 million to previously established non-operating litigation reserves and other items.

Provision for Income Taxes

The annual effective tax rates of 74% for 1994 and 43% for 1993 were both adversely affected by amortization of goodwill which are not deductible for tax purposes. The 1993 effective tax rate was favorably affected as a result of reductions of certain prior year tax reserves of \$22.0 million. The reductions were based on the favorable outcome of federal, state and local audits.

During the first quarter of 1993, the Company adopted Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" on a prospective basis and recognized an increase in earnings of \$10.4 million in 1993 as the cumulative effect of a change in accounting principle.

Equity in Earnings (Loss) of Affiliates

"Equity in earnings of affiliated companies, net of tax" was \$18.6 million for 1994 as compared to a loss of \$2.5 million for 1993, primarily reflecting the inclusion of the net earnings of affiliated companies that were acquired as part of the Mergers, improved operating results of Comedy Central, partially offset by the absence of Lifetime's earnings due to the sale of the Company's one-third partnership interest.

Extraordinary Losses

On July 15, 1993, Viacom International redeemed all of the \$298 million principal amount outstanding of the 11.80% Senior Subordinated Notes at a redemption price equal to 103.37% of the principal amount plus accrued interest to July 15, 1993. Viacom International recognized an after-tax

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MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

extraordinary loss of \$8.9 million, net of a tax benefit of \$6.1 million. Viacom International borrowed the funds necessary for the redemption under bank credit agreements existing at the time.

ACQUISITIONS

On March 11, 1994, the Company acquired a majority of the shares of Paramount Communications' common stock outstanding at a price of \$107 per share in cash.

On July 7, 1994, Paramount Communications became a wholly owned subsidiary of the Company. The total cost to acquire Paramount Communications of \$9.9 billion was financed through \$3.7 billion of borrowing from banks, \$3.1 billion of cash and \$3.1 billion of securities. (See Note 2 of Notes to Consolidated Financial Statements). Such cash was obtained through the issuance of \$1.8 billion of Preferred Stock (of which \$600 million and \$1.2 billion were issued to Blockbuster and NYNEX Corporation, respectively) and \$1.25 billion of Viacom Class B Common Stock was issued to Blockbuster. The securities issued to Blockbuster were canceled upon consummation of the Blockbuster Merger.

On September 29, 1994, Blockbuster was merged with and into the Company. The total cost to acquire Blockbuster of \$7.6 billion was financed through the issuance of equity securities to Blockbuster shareholders. (See Note 2 of Notes to Consolidated Financial Statements).

LIQUIDITY AND CAPITAL RESOURCES

The Company expects to fund its anticipated cash requirements (including the anticipated cash requirements of its capital expenditures, joint ventures, commitments and payments of principal, interest and dividends on its outstanding indebtedness and preferred stock) with internally generated funds and from various external sources, which may include the Company's existing Credit Agreements and amendments thereto, co-financing arrangements by the Company's various divisions, additional financings and the sale of non-strategic assets as opportunities may arise.

The Company's scheduled maturities of long-term debt, through December 31, 2000 assuming full utilization of the credit agreements are \$1.6 billion (1996), \$248.9 million (1997), \$1.0 billion (1998), \$1.5 billion (1999) and \$1.3 billion (2000). The Company has classified certain short-term indebtedness as long-term debt based upon its intent and ability to refinance such indebtedness on a long-term basis. (See Note 7 of Notes to Consolidated Financial Statements). The Company's Preferred Stock dividend requirement is \$60 million per year.

The Company's joint ventures are expected to require estimated net cash contributions of approximately \$100 million to \$150 million in 1996. Planned capital expenditures, including information systems costs, are approximately \$800 million to \$900 million in 1996. Capital expenditures are primarily related to capital additions for new and existing video stores and theme park attractions, and approximately \$150 million for additional construction and equipment upgrades for the Company's existing cable franchises.

The Company was in compliance with all debt covenants and had satisfied all financial ratios and tests as of December 31, 1995 under its Credit Agreement and the Company expects to be in compliance and satisfy all such covenant ratios as may be applicable from time to time during 1996.

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MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Debt as a percentage of total capitalization of the Company was 47% at December 31, 1995 and December 31, 1994.

The Company filed a shelf registration statement with the Securities and Exchange Commission registering debt securities, preferred stock and contingent value rights of Viacom and guaranties of such debt securities by Viacom International which may be issued for aggregate gross proceeds of \$3.0 billion. The registration statement was declared effective on May 10, 1995. The net proceeds from the sale of the offered securities may be used by Viacom to repay, redeem, repurchase or satisfy its obligations in respect of its outstanding indebtedness or other securities; to make loans to its subsidiaries; for general corporate purposes; or for such other purposes as may be specified in the

applicable Prospectus Supplement. During 1995, the Company issued \$1.6 billion of notes and debentures under this shelf registration statement.

See Note 12 of Notes to Consolidated Financial Statements for a description of the Company's future minimum lease commitments.

The commitments of the Company for program license fees, which are not reflected in the balance sheet as of December 31, 1995 and are estimated to aggregate approximately \$2.2 billion, principally reflect commitments under SNI's exclusive arrangements with several motion picture companies. This estimate is based upon a number of factors. A majority of such fees are payable over several years, as part of normal programming expenditures of SNI. These commitments are contingent upon delivery of motion pictures which are not yet available for premium television exhibition and, in many cases, have not yet been produced.

There are various lawsuits and claims pending against the Company. Management believes that any ultimate liability resulting from those actions or claims will not have a material adverse effect on the Company's results of operations, financial position or cash flows.

Certain subsidiaries and affiliates of the Company from time to time receive claims from Federal and state environmental regulatory agencies and other entities asserting that they are or may be liable for environmental cleanup costs and related damages, principally relating to discontinued operations conducted by its former mining and manufacturing businesses (acquired as part of the Mergers). The Company has recorded a liability at approximately the mid-point of its estimated range of environmental exposure. Such liability was not reduced by potential insurance recoveries and reflects management's estimate of cost sharing at multiparty sites. The estimated range of the potential liability was calculated based upon currently available facts, existing technology and presently enacted laws and regulations. On the basis of its experience and the information currently available to it, the Company believes that the claims it has received will not have a material adverse effect on its results of operations, financial position or cash flows.

Current assets decreased to \$5.2 billion for 1995 from \$5.3 billion for 1994 reflecting the disposition of the net assets of MSG offset by increased receivables and inventory. The increased receivables principally reflect the conforming of accounting policies pertaining to the television programming libraries of Viacom Entertainment, Spelling and Paramount Communications and the effects of

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MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

increased revenues. The allowance for doubtful accounts as a percentage of receivables increased to 6% for 1995 from 4% for 1994 reflecting increased reserves on Blockbuster receivables and the potential effects of the changes in the retail bookstore environment. Both current and non-current inventory increased principally reflecting the timing of the release of motion pictures at Paramount Pictures, increased production activity at Spelling and increased video and game product purchases at Blockbuster for new and existing video stores. Property and equipment increased reflecting the capital expenditures of \$730.6 million and equipment acquired under capital leases of \$314.5 million primarily related to capital additions for new and existing video and music stores and additional construction and equipment upgrades for the Company's existing cable franchises. Current liabilities remained constant at \$4.1 billion for 1995 and 1994 primarily reflecting normal operating activity. The increase in total debt is described in Note 7 of Notes to Consolidated Financial Statements.

Net cash flow from operating activities decreased 85% to \$55.6 million in 1995 from \$376.9 million for 1994. Such amounts are not comparable due to the Mergers. The decreased operating cash flow primarily reflects payments of \$1.4

billion for 1995 versus \$429 million for 1994 for interest and taxes, as well as payments for significant levels of Blockbuster video product purchases made, as is typical, in the first quarter of 1995 partially offset by increased operating income. Net cash flow from operating activities increased 134% to \$376.9 million in 1994 from \$161.0 million for 1993 principally due to the inclusion of Paramount Communications' and Blockbuster's results of operations since the effective time of the respective mergers and increased operating earnings of Viacom's pre-merger businesses, prior to merger-related charges. Net cash expenditures from investing activities of \$79.6 million for 1995, principally reflects capital expenditures and other acquisitions partially offset by proceeds from the sale of MSG and other dispositions. Net cash expenditures from investing activities of \$6.3 billion for 1994 principally reflect the acquisition of the majority of the shares of Paramount Communications and capital expenditures, partially offset by proceeds from the sale of the Company's one-third partnership interest in Lifetime. Financing activities reflect borrowings and repayment of debt under the credit agreements during each period presented; proceeds from the issuance of senior notes during 1995; the issuance of Viacom Class B Common Stock to Blockbuster during 1994; and the redemption of the 11.80% senior notes and the issuance of the Preferred Stock during 1993.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and
Shareholders of Viacom Inc.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of cash flows and of shareholders' equity present fairly, in all material respects, the financial position of Viacom Inc. and its subsidiaries at December 31, 1995 and 1994, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1995, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the management of Viacom Inc.; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

Our audits of the consolidated financial statements of Viacom Inc. also included an audit of the Financial Statement Schedule listed in Item 14(a) of this Form 10-K. In our opinion, the Financial Statement Schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

PRICE WATERHOUSE LLP

New York, New York
February 14, 1996

MANAGEMENT'S STATEMENT OF RESPONSIBILITY FOR FINANCIAL REPORTING

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

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

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

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

VIACOM INC.

By: /s/ Sumner M. Redstone

Sumner M. Redstone
Chairman of the Board of Directors,
Chief Executive Officer

By: /s/ George S. Smith, Jr.

George S. Smith, Jr.
Senior Vice President,
Chief Financial Officer

By: /s/ Susan C. Gordon

 Susan C. Gordon
 Vice President, Controller,
 Chief Accounting Officer

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VIACOM INC. AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF OPERATIONS

 (in millions, except per share amounts)

	YEAR ENDED DECEMBER 31,		
	1995	1994	1993
	----	----	----
Revenues.....	\$11,688.7	\$7,363.2	\$2,004.9
Expenses:			
Operating.....	7,072.7	4,401.0	877.6
Selling, general and administrative.....	2,302.3	1,888.2	589.2
Depreciation and amortization.....	820.4	465.7	153.1
Total expenses.....	10,195.4	6,754.9	1,619.9
Operating income.....	1,493.3	608.3	385.0
Other income (expense):			
Interest expense, net.....	(821.4)	(494.1)	(145.0)
Other items, net (See Note 16).....	17.3	262.5	61.8
Earnings from continuing operations before income taxes.....	689.2	376.7	301.8
Provision for income taxes.....	(417.0)	(279.7)	(129.8)
Equity in earnings (loss) of affiliated companies, net of tax.....	(53.9)	18.6	(2.5)
Minority interest.....	(3.4)	14.9	--
Net earnings from continuing operations.....	214.9	130.5	169.5
Earnings (loss) from discontinued operations, net of tax (See Note 4).....	7.6	(20.5)	--
Earnings before extraordinary loss and cumulative effect of change in accounting principle.....	222.5	110.0	169.5
Extraordinary loss, net of tax (See Note 7). Cumulative effect of change in accounting principle.....	--	(20.4)	(8.9)
Cumulative effect of change in accounting principle.....	--	--	10.4
Net earnings.....	222.5	89.6	171.0
Cumulative convertible preferred stock dividend requirement.....	60.0	75.0	12.8
Net earnings attributable to common stock.....	\$ 162.5	\$ 14.6	\$ 158.2
	=====	=====	=====
Primary and fully diluted net earnings per common share:			
Net earnings from continuing operations..	.41	\$.25	\$ 1.30
Earnings (loss) from discontinued operations, net of tax.....	.02	(.09)	--

Extraordinary loss, net of tax.....	--	(.09)	(.07)
Cumulative effect of change in accounting principle.....	--	--	.08
Net earnings.....	\$.43	\$.07	\$ 1.31
	=====	=====	=====

Weighted average number of common shares and
common share equivalents:

Primary.....	375.1	220.0	120.6
Fully diluted.....	375.5	220.4	120.6

See notes to consolidated financial statements.

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VIACOM INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(in millions)

	DECEMBER 31,	
	1995	1994
	----	----
Assets		
Current Assets:		
Cash and cash equivalents.....	\$ 464.1	\$ 597.7
Receivables, less allowances of \$126.0 (1995) and \$75.8 (1994).....	1,872.4	1,638.8
Inventory (See Note 5).....	903.1	830.9
Theatrical and television inventory (See Note 5)..	1,275.0	986.9
Other current assets.....	684.4	503.5
Net assets of discontinued operations (See Note 4)	--	697.4
	-----	-----
Total current assets.....	5,199.0	5,255.2
Property and Equipment:		
Land.....	477.6	470.3
Buildings.....	1,161.7	798.8
Cable television systems.....	539.8	465.4
Equipment and other.....	1,795.6	1,365.1
	-----	-----
	3,974.7	3,099.6
Less accumulated depreciation and amortization....	756.8	516.5
	-----	-----
Net property and equipment.....	3,217.9	2,583.1
	-----	-----
Inventory (See Note 5).....	2,271.5	1,944.5
Intangibles, at amortized cost.....	16,153.2	16,111.7
Other assets.....	2,184.4	2,379.2

-----	-----
\$29,026.0	\$28,273.7
=====	=====

See notes to consolidated financial statements.

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VIACOM INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(in millions, except per share amounts)

	DECEMBER 31,	
	1995	1994
	----	----
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts payable.....	\$ 788.8	\$ 770.9
Accrued interest.....	149.8	234.9
Deferred income.....	243.5	250.9
Merger consideration payable.....	167.4	261.7
Accrued compensation	449.4	340.6
Other accrued expenses.....	1,216.0	1,436.8
Participants' share, residuals and royalties payable.....	798.2	630.0
Program rights.....	240.4	184.4
Current portion of long-term debt.....	45.1	21.0
	-----	-----
Total current liabilities.....	4,098.6	4,131.2
	-----	-----
Long-term debt (See Note 7).....	10,712.1	10,402.4
Other liabilities.....	2,121.5	1,948.5
Commitments and contingencies (See Note 12)		
Shareholders' Equity:		
Preferred Stock, par value \$.01 per share; 200.0 shares authorized; 24.0 (1995) and 24.0 (1994) shares issued and outstanding	1,200.0	1,200.0
Class A Common Stock, par value \$.01 per share; 200.0 shares authorized; 75.1 (1995) and 74.6 (1994) shares issued and outstanding.....	0.8	0.7
Class B Common Stock, par value \$.01 per share; 1,000.0 shares authorized; 294.6 (1995) and 284.1 (1994) shares issued and outstanding.....	2.9	2.8
Additional paid-in capital.....	10,726.9	10,579.5
Retained earnings.....	173.1	10.6
Cumulative translation adjustments.....	(9.9)	(2.0)
	-----	-----
Total shareholders' equity.....	12,093.8	11,791.6
	-----	-----
	\$ 29,026.0	\$ 28,273.7
	=====	=====

See notes to consolidated financial statements.

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VIACOM INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)

	YEAR ENDED DECEMBER 31,		
	1995	1994	1993
OPERATING ACTIVITIES:			
Net earnings.....	\$ 222.5	\$ 89.6	\$171.0
Adjustments to reconcile net earnings to net cash flow from operating activities:			
Depreciation and amortization.....	820.4	465.7	153.1
Merger-related charges (Note 2).....	--	332.1	--
Equity in (earnings) losses of affiliated companies, net of tax	53.9	(18.6)	2.5
Distribution from affiliated companies.....	82.2	37.7	13.4
Gain on the sale of marketable securities (Note 16).....	(26.9)	--	--
Gain on dispositions , net of tax (Note 16).....	--	(164.4)	(45.9)
Extraordinary losses, net of tax (Note 7).....	--	20.4	8.9
Change in operating assets and liabilities:			
Increase in receivables.....	(233.8)	(152.6)	(31.9)
Increase in inventory and related programming liabilities, net.....	(320.9)	(557.0)	(137.5)
Increase in prepublication costs, net.....	(75.7)	(47.0)	--
(Increase) decrease in prepaid expenses and other current assets.....	(84.5)	110.1	--
(Increase) decrease in unbilled receivables...	(55.6)	17.3	(4.2)
(Decrease) increase in accounts payable and accrued expenses.....	(329.1)	164.7	(17.2)
(Decrease) increase in income taxes payable and deferred income taxes, net.....	(56.5)	28.8	82.9
Increase (decrease) in deferred income.....	68.0	9.8	(9.0)
Other, net.....	(8.4)	40.3	(25.1)
NET CASH FLOW FROM OPERATING ACTIVITIES.....	55.6	376.9	161.0
INVESTING ACTIVITIES:			
Proceeds from dispositions.....	1,442.9	317.6	144.7
Acquisitions, net of cash acquired.....	(616.2)	(6,254.6)	(82.2)
Capital expenditures.....	(730.6)	(364.9)	(135.0)
Investments in and advances to affiliated companies.....	(138.1)	(51.3)	(21.6)
Proceeds from sale of short-term investments.....	281.3	156.2	--
Payments for purchase of short-term investments..	(301.2)	(102.2)	--
Other, net.....	(17.7)	(37.2)	(47.7)
NET CASH FLOW FROM INVESTING ACTIVITIES.....	(79.6)	(6,336.4)	(141.8)
FINANCING ACTIVITIES:			
Short-term (repayments to) borrowings from banks, net	(1,560.2)	3,560.0	334.3
Proceeds from the issuance of senior notes.....	1,538.6	--	--
Proceeds from the issuance of Class B Common Stock	--	1,250.0	--
Proceeds from exercise of stock options and			

warrants.....	125.6	52.6	8.8
Payment of Preferred Stock dividends.....	(60.0)	(72.7)	--
Settlement of CVRs.....	(81.9)	--	--
Proceeds from the issuance of Preferred Stock....	--	--	1,800.0
Redemption of notes and debentures.....	--	--	(298.0)
Deferred financing fees.....	(23.4)	(87.1)	(18.1)
Other, net.....	(48.3)	(28.0)	(12.2)
NET CASH FLOW FROM FINANCING ACTIVITIES.....	(109.6)	4,674.8	1,814.8
Net increase (decrease) in cash and cash equivalents	(133.6)	(1,284.7)	1,834.0
Cash and cash equivalents at beginning of year.....	597.7	1,882.4	48.4
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 464.1	\$ 597.7	\$1,882.4

See notes to consolidated financial statements.

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VIACOM INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(in millions)

	YEAR ENDED DECEMBER 31,					
	1995		1994		1993	
	SHARES	AMOUNTS	SHARES	AMOUNTS	SHARES	AMOUNTS
PREFERRED STOCK						
Balance, beginning of year....	24.0	\$ 1,200.0	48.0	\$ 1,800.0	--	\$ --
Issuance of Series A and Series B Preferred Stock.....	--	--	--	--	48.0	1,800.0
Cancellation of Series A Preferred stock	--	--	(24.0)	(600.0)	--	--
Balance, end of year.....	24.0	\$ 1,200.0	24.0	\$ 1,200.0	48.0	\$ 1,800.0
CLASS A COMMON STOCK						
Balance, beginning of year....	74.6	\$.7	53.4	\$.5	53.4	\$.5
Exercise of stock options and warrants.....	.5	.1	.2	--	--	--
Blockbuster Merger Consideration.	--	--	21.0	.2	--	--
Balance, end of year.....	75.1	\$.8	74.6	\$.7	53.4	\$.5
CLASS B COMMON STOCK						
Balance, beginning of year....	284.1	\$ 2.8	67.3	\$.7	67.1	\$.7
Exercise of stock options and warrants.....	4.4	--	1.2	--	.2	--
Paramount Merger Consideration	--	--	56.7	.5	--	--
Blockbuster Merger Consideration.	--	--	158.9	1.6	--	--
Issuance of shares.....	--	--	22.7	.2	--	--
Cancellation of shares.....	--	--	(22.7)	(.2)	--	--
Conversion of VCRs to B Shares	6.1	.1	--	--	--	--
Balance, end of year.....	294.6	\$ 2.9	284.1	\$ 2.8	67.3	\$.7
ADDITIONAL PAID-IN CAPITAL						
Balance, beginning of year....		\$10,579.5		\$ 920.9		\$ 917.5
Exercise of stock options and warrants, net of tax benefit..		233.3		65.8		3.4
Paramount Merger Consideration		--		2,190.9		--

Blockbuster Merger Consideration.	--	7,412.1	--
Settlement of CVRs.....	(81.9)	--	--
Settlement of Paramount Merger appraisal rights.....	(4.0)	--	--
Issuance of Class B Common shares	--	1,250.0	--
Cancellation of Class B Common shares.....	--	(1,250.0)	--
Expenses associated with stock issuances.....	--	(10.2)	--
	-----	-----	-----
Balance, end of year.....	\$10,726.9	\$10,579.5	\$ 920.9
	=====	=====	=====
RETAINED EARNINGS (ACCUMULATED DEFICIT)			

Balance, beginning of year....	\$ 10.6	\$ (4.0)	\$ (162.2)
Net earnings.....	222.5	89.6	171.0
Preferred stock dividend requirements.....	(60.0)	(75.0)	(12.8)
	-----	-----	-----
Balance, end of year.....	\$ 173.1	\$ 10.6	\$ (4.0)
	=====	=====	=====
CUMULATIVE TRANSLATION ADJUSTMENTS			

Balance, beginning of year....	\$ (2.0)	\$ --	\$ --
Translation adjustments.....	(7.9)	(2.0)	--
	-----	-----	-----
Balance, end of year.....	\$ (9.9)	\$ (2.0)	\$ --
	=====	=====	=====
TOTAL SHAREHOLDERS' EQUITY....	\$12,093.8	\$11,791.6	\$ 2,718.1
	=====	=====	=====

See notes to consolidated financial statements.

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VIACOM INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Tabular dollars in millions, except per share amounts)

1) DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES

BASIS OF PRESENTATION - Viacom Inc. (the "Company") is a diversified entertainment and publishing company with operations in the five segments described below. The Company's consolidated results of operations include the results of operations of Paramount Communications Inc. ("Paramount Communications") commencing March 1, 1994 and Blockbuster Entertainment Corporation ("Blockbuster") commencing October 1, 1994 (See Note 2). See Note 13 regarding the relative contribution to revenues and operating income of each of the following business segments:

Networks and Broadcasting

The Company, through MTV Networks, owns and operates advertiser-supported basic cable television program services, and through Showtime Networks Inc. owns and operates premium subscription cable television program services. The Company also owns and operates 12 television stations and 12 radio stations.

Entertainment

The Company, through Paramount Pictures and Spelling Entertainment Group, Inc. ("Spelling"): 1) produces, acquires, finances and distributes feature motion pictures, normally, for exhibition in U.S. and foreign theaters followed by videocassettes and discs, pay-per-view television, premium subscription television, network television, basic cable television and syndicated television exploitation; 2) produces, acquires and distributes series, mini-series, specials and made-for-television movies primarily for network television, first-run syndication and basic cable television; 3) operates movie theaters; and 4) provides new media and interactive services.

Video and Music/Theme Parks

The Company, through Blockbuster Entertainment Group, operates and franchises videocassette rental and retail sales stores, and operates music stores throughout the United States and internationally. Additionally, the Company, through Paramount Parks, owns and operates five regional theme parks and one water park in the United States and Canada.

Publishing

The Company, through Simon & Schuster, publishes and distributes consumer hardcover and paperback books, interactive CD-ROM products, audio books, educational textbooks and supplemental educational materials, multimedia curriculum and information and reference materials for businesses and professionals.

Cable Television

The Company owns and operates cable television distribution systems serving approximately 1.2 million subscribers primarily in Northern California, the Pacific Northwest region of the United States, Nashville, Tennessee and Dayton, Ohio. Revenues are primarily earned from subscriber fees for primary and premium subscription services, sale of advertising and pay-per-view programming fees.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the

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VIACOM INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Tabular dollars in millions, except per share amounts)

reported amounts of revenues and expenses during the reporting period. Actual results could subsequently differ from those estimates.

PRINCIPLES OF CONSOLIDATION - The consolidated financial statements include the accounts of the Company and investments of more than 50% in subsidiaries and other entities. Investments in affiliated companies over which the Company has a significant influence or ownership of more than 20% but less than or equal to 50% are accounted for under the equity method. All significant intercompany transactions have been eliminated. Investments of 20% or less are accounted for under the cost method. In 1993, the fiscal year end for certain foreign operations was changed from October 31 to December 31.

CASH EQUIVALENTS - Cash equivalents are defined as short-term (3 months or less) highly liquid investments.

INVENTORIES - Publishing related inventories are generally determined using the lower of cost (first-in, first-out method) or net realizable value. Prerecorded music and videocassette sell through inventory costs are determined using the moving weighted average method, the use of which approximates the first-in, first-out basis. Videocassette rental inventory is recorded at cost and amortized over its estimated economic life. Videocassettes which are considered base stock are amortized over 36 months on a straight-line basis. Videocassettes which are considered new release feature films are frequently ordered in large quantities to satisfy initial demand ("hits"). For each store, the fifth and any succeeding copies of hit titles purchased are amortized over six months on a straight-line basis.

Theatrical and Television Inventories - Inventories related to theatrical and television product (which include direct production costs, production overhead, acquisition costs, prints and certain exploitation costs) are stated at the lower of amortized cost or net realizable value. Inventories are amortized, and liabilities for residuals and participations are accrued, on an individual

product basis based on the proportion that current revenues bear to the estimated remaining total lifetime revenues. Estimates for initial domestic syndication and basic cable revenues are not included in the estimated lifetime revenues of network series until such sales are probable. Estimates of total lifetime revenues and expenses are periodically reviewed. The costs of feature and television films are classified as current assets to the extent such costs are expected to be recovered through their respective primary markets. Other costs related to film production are classified as noncurrent. A portion of the cost to acquire Paramount Communications and Blockbuster was allocated to theatrical and television inventories based upon estimated revenues from certain films less related costs of distribution and a reasonable profit allowance for the selling effort. The cost allocated to films is being amortized over their estimated economic lives not to exceed 20 years.

The Company estimates that approximately 68% of unamortized film costs (including amounts allocated under purchase accounting) at December 31, 1995 will be amortized within the next three years.

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VIACOM INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Tabular dollars in millions, except per share amounts)

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

PROPERTY AND EQUIPMENT - Property and equipment is stated at cost. Depreciation is computed principally by the straight-line method over estimated useful lives ranging from 3 to 40 years. Depreciation expense, including capitalized lease amortization, was \$364.1 million (1995), \$215.9 million (1994) and \$92.8 million (1993).

Property and equipment includes capital leases of \$358.5 million and \$102.4 million as of December 31, 1995 and December 31, 1994, respectively, net of accumulated amortization of \$53.5 million and \$21.8 million, respectively. Amortization expense related to capital leases was \$39.1 million (1995), \$13.1 million (1994) and \$3.6 million (1993).

INTANGIBLE ASSETS - Intangible assets, which primarily consist of the cost of acquired businesses in excess of the market value of tangible assets and liabilities acquired (goodwill), are generally amortized by the straight-line method over estimated useful lives of up to 40 years. The Company evaluates the amortization period of intangibles on an ongoing basis in light of changes in any business conditions, events or circumstances that may indicate the potential impairment of intangible assets. Accumulated amortization of intangible assets at December 31 was \$1.1 billion (1995) and \$663.2 million (1994).

REVENUE RECOGNITION - Subscriber fees for Networks and Cable Television are recognized in the period the service is provided. Advertising revenues for Networks and Broadcasting are recognized in the period during which the spots are aired. Revenues from the video and music stores are recognized at the time of rental or sale. The publishing segment and new media recognize revenue when merchandise is shipped.

Theatrical and Television Revenues - On average, the length of the initial

revenue cycle for feature films approximates four to seven years. Theatrical revenues from domestic and foreign markets are recognized as films are exhibited; revenues from the sale of videocassettes and discs are recognized upon delivery of the merchandise; and revenues from all television sources are recognized upon availability of the film for telecast.

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

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

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VIACOM INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Tabular dollars in millions, except per share amounts)

purchased interest rate cap agreements are amortized as interest expense over the term of the agreement (See Note 8).

FOREIGN CURRENCY TRANSLATION AND TRANSACTIONS - The Company's foreign subsidiaries' assets and liabilities are translated at exchange rates in effect at the balance sheet date, while results of operations are translated at average exchange rates for the respective periods. The resulting translation gains or losses are included as a separate component of shareholders' equity. Foreign currency transaction gains and losses have been included in other items, net, and have not been material in any of the years presented.

PROVISION FOR DOUBTFUL ACCOUNTS - The provision for doubtful accounts charged to expense was \$104.3 million (1995), \$61.6 million (1994) and \$16.7 million (1993).

NET EARNINGS PER COMMON SHARE - Primary net earnings per common share is calculated based on the weighted average number of common shares outstanding during each period, the effects of common shares potentially issuable in connection with the variable common rights ("VCRs") (prior to their settlement) and stock options and warrants for 1995 and 1994 and contingent value rights ("CVRs") for 1994. For 1993, the effect of contingently issuable common shares from stock options was immaterial and, therefore, the effect is not reflected in primary net earnings per common share. For each of the full years presented, the effect of the assumed conversion of Preferred Stock is antidilutive and therefore, not reflected in fully diluted net earnings per common share.

RECLASSIFICATIONS

Certain amounts reported for prior years have been reclassified to conform with the current presentation.

RECENT PRONOUNCEMENTS

During 1995, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 121 ("SFAS 121"), "Accounting for the Impairment of Long-Lived Assets and for Long -Lived Assets to Be Disposed Of," which the Company will be required to adopt in 1996. SFAS 121 establishes accounting standards for the impairment of long-lived assets, certain identifiable intangibles and goodwill related to those assets to be held and used and for long-lived assets and certain identifiable intangibles to be

disposed of. The Company does not expect that SFAS 121 will have a significant effect on the consolidated financial position or results of operations.

During 1995, the FASB issued Statement of Financial Accounting Standards No. 123 ("SFAS 123"), "Accounting for Stock-Based Compensation," which establishes a fair value based method of accounting for compensation cost related to stock option plans and other forms of stock based compensation plans as an alternative to the intrinsic value based method of accounting defined under Accounting Principles Board Opinion No. 25. Companies that do not elect the new method of accounting for 1996 will be required to provide pro forma disclosures as if the fair value based method had been applied for the current period and prior comparable period. The Company intends to adopt SFAS 123 by providing the pro forma disclosures.

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VIACOM INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued) (Tabular dollars in millions, except per share amounts)

2) PARAMOUNT MERGER, BLOCKBUSTER MERGER AND RELATED TRANSACTIONS

On March 11, 1994, the Company acquired a majority of the shares of Paramount Communications common stock outstanding at a price of \$107 per share in cash. On July 7, 1994, Paramount Communications became a wholly owned subsidiary of the Company (the "Paramount Merger"). Each share of Paramount Communications common stock outstanding at the time of the Paramount Merger (other than shares held in the treasury of Paramount Communications or owned by the Company and other than shares held by any stockholders who demanded and perfected appraisal rights) was converted into the right to receive (i) 0.93065 of a share of Class B Common Stock, (ii) \$17.50 principal amount of 8% exchangeable subordinated debentures ("8% Merger Debentures"), (iii) 0.93065 of a CVR, (iv) 0.5 of a warrant to purchase one share of Viacom Class B Common Stock at any time prior to the third anniversary of the Paramount Merger at a price of \$60 per share, and (v) 0.3 of a warrant to purchase one share of Viacom Class B Common Stock at any time prior to the fifth anniversary of the Paramount Merger at a price of \$70 per share.

On July 7, 1995 the CVRs matured. The Company paid approximately \$81.9 million in cash, or approximately \$1.44 per CVR, to settle its obligation under the CVRs.

On September 29, 1994, Blockbuster was merged with and into the Company (the "Blockbuster Merger"). Each share of Blockbuster Common Stock outstanding at the time of the Blockbuster Merger (other than shares held in the treasury of Blockbuster or owned by the Company) was converted into the right to receive (i) 0.08 of a share of Viacom Class A Common Stock, (ii) 0.60615 of a share of Viacom Class B Common Stock and (iii) one VCR.

On September 29, 1995 the VCRs matured. The Company issued approximately 6.1 million shares of Viacom Inc. Class B Common Stock, or .022665 of a share of Viacom Inc. Class B Common Stock per VCR, to settle its obligation under the VCRs.

The Paramount Merger and the Blockbuster Merger (collectively, the "Mergers") have been accounted for under the purchase method of accounting. Accordingly, the total cost to acquire Paramount Communications of \$9.9 billion and Blockbuster of \$7.6 billion has been allocated to the respective assets and liabilities acquired based on their fair values at the time of the Mergers with the aggregate excess cost over the fair value of net tangible assets acquired of \$7.9 billion and \$6.8 billion, respectively, allocated to goodwill.

The unaudited condensed pro forma results of operations data presented below assumes that the Mergers and related transactions, the sale of the one-third partnership interest in Lifetime and the sale of MSG (as defined in Note 4)

occurred at the beginning of each period presented. The unaudited condensed pro forma results of operations data was prepared based upon the historical consolidated results of operations of the Company for the years ended December 31, 1994 and 1993, Paramount for the two months ended February 28, 1994 and year ended December 31, 1993, and Blockbuster for the nine months ended September 30, 1994 and year ended December 31, 1993, adjusted to exclude the non-recurring merger-related charges of \$332.1 million (as described below). Financial information for Paramount Communications and Blockbuster subsequent to the date of acquisition is included in the Company's

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VIACOM INC. AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
 (Tabular dollars in millions, except per share amounts)

historical information. Intangible assets are amortized principally over 40 years on a straight-line basis. The following unaudited pro forma information is not necessarily indicative of the combined results of operations of the Company, Paramount Communications and Blockbuster that would have occurred if the completion of the transactions had occurred on the dates previously indicated nor are they necessarily indicative of future operating results of the combined company.

	YEAR ENDED DECEMBER 31,	
	1994	1993
	----	----
	(UNAUDITED)	
Revenues.....	\$10,121.6	\$ 9,235.5
Operating income.....	1,040.0	758.7
Net earnings from continuing operations before extraordinary loss, cumulative effect of a change in accounting principle and preferred stock dividends.....	111.6	10.9
Net earnings (loss) attributable to common stock before extraordinary loss and cumulative effect of a change in accounting principle..	51.6	(49.1)
Earnings (loss) per common share before extraordinary loss and cumulative effect of change in accounting principle.....	.13	(.14)

Pro forma operating income for the year ended December 31, 1994 excludes \$332.1 million of non-recurring merger-related charges reflecting the integration of the Company's pre-merger businesses with similar Paramount Communications units, and related management and strategic changes principally related to the merger with Paramount Communications.

During each of the years presented, the Company has also acquired or sold certain other businesses. The contributions of these businesses in the aggregate were not significant to the Company's results of operations for the periods presented, nor are they expected to have a material effect on the Company's results on a continuing basis.

As part of the Mergers, the Company recognized costs of plans to exit activities and terminate and relocate employees of Paramount Communications and Blockbuster. The total liabilities accrued for such costs were \$228.7 million, of which \$71.4 million represents costs to exit activities, \$119.2 million for severance costs and \$38.1 million for relocation costs. During 1995 and 1994, the Company paid and charged against the liabilities \$79.9 million and \$84.6 million, respectively. The Company expects to substantially complete the activities related to these liabilities during 1996.

3) POTENTIAL TRANSACTION

During July 1995, the Company entered into an agreement to split-off its cable systems to its shareholders through a dutch-auction exchange offer. The exchange offer will allow shareholders to exchange shares of Viacom Inc. Class A or Class B Common Stock for shares of cumulative, redeemable exchangeable preferred stock of a subsidiary of Viacom that holds its cable systems. Prior to the consummation of the

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VIACOM INC. AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
 (Tabular dollars in millions, except per share amounts)

exchange offer, such subsidiary will enter into a \$1.7 billion credit agreement, the proceeds of which will be transferred to another subsidiary of Viacom. The Company also entered into a definitive agreement with Tele-Communications, Inc. ("TCI") under which a subsidiary of TCI, through a capital contribution of \$350 million in cash, will purchase all of the common shares of such subsidiary immediately following the split-off. National Amusements, Inc. ("NAI"), which owns approximately 25% of Viacom Inc. Class A and Class B Common Stock on a combined basis, will not participate in the exchange offer. The exchange offer and related transactions are subject to several conditions, including regulatory approvals, receipt of a tax ruling and consummation of the exchange offer.

4) DISPOSITION

On March 10, 1995, the Company sold Madison Square Garden Corporation, which included the Madison Square Garden Arena, The Paramount theater, the New York Knickerbockers, the New York Rangers and the Madison Square Garden Network (collectively "MSG") to a joint venture of ITT Corporation and Cablevision Systems Corporation for closing proceeds of \$1.0 billion, representing the sale price of \$1.1 billion, less approximately \$66 million in working capital adjustments. MSG was acquired by the Company as part of Paramount Communications with its book value recorded at fair value and therefore no gain was recorded on its sale. Proceeds from the sale of MSG and other dispositions were used to repay notes payable to banks, of which approximately \$600 million represents a permanent reduction of the Company's bank commitments.

MSG has been accounted for as a discontinued operation and, accordingly, its operating results and net assets have been separately disclosed in the consolidated financial statements. Summarized results of operations and financial position data for MSG, reflected in the Company's financial statements, are as follows:

	YEAR ENDED DECEMBER 31,	
	1995 (1)	1994 (2)
RESULTS OF OPERATIONS:		
Revenues.....	\$ 91.5	\$ 273.4
Earnings (loss) from operations before income taxes	\$ 12.7	\$ (25.4)
(Provision) benefit for income taxes.....	\$ (5.1)	\$ 4.9
Net earnings (loss).....	\$ 7.6	\$ (20.5)

YEAR ENDED DECEMBER 31, 1994

FINANCIAL POSITION:

Current assets.....	\$107.8
Net property, plant and equipment.....	312.9
Other assets.....	409.4
Total liabilities.....	(132.7)

Net assets of discontinued operations.....	\$697.4
	=====

- (1) Reflects results of operations from January 1 through March 9.
(2) Reflects results of operations from March 1 through December 31.

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VIACOM INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Tabular dollars in millions, except per share amounts)

The provision for income taxes of \$5.1 million for 1995 and benefit for income taxes of \$4.9 million for 1994 represent effective tax rates of 40.0% and 19.3%, respectively. The differences between the effective tax rate and the statutory federal tax rate of 35% principally relate to the allocation of nondeductible goodwill amortization and state and local taxes.

5) INVENTORIES

Inventories consist of the following:

	DECEMBER 31,	
	1995	1994
	----	----
Prerecorded music and video cassettes.....	\$ 474.8	\$ 509.2
Videocassette rental inventory.....	520.3	297.6
Publishing:		
Finished goods.....	303.6	218.9
Work in process.....	44.9	35.8
Materials and supplies.....	30.2	27.1
Other.....	87.9	73.8
	-----	-----
	1,461.7	1,162.4
Less current portion.....	903.1	830.9
	-----	-----
	\$ 558.6	\$ 331.5
	=====	=====
Theatrical and television inventory:		
Theatrical and television productions:		
Released.....	\$1,612.1	\$ 1,488.0
Completed, not released.....	52.5	12.8
In process and other.....	357.0	260.8
Program rights.....	966.3	838.3
	-----	-----
	2,987.9	2,599.9
Less current portion.....	1,275.0	986.9
	-----	-----
	\$1,712.9	\$ 1,613.0
	=====	=====
Total non-current inventory.....	\$2,271.5	\$ 1,944.5
	=====	=====

6) INVESTMENTS IN AFFILIATED COMPANIES

The Company accounts for its investments in affiliated companies over which the Company has significant influence or ownership of more than 20% but less than or equal to 50% under the equity method. Such investments are principally comprised of the Company's interest in Comedy Central (50% owned) and Nickelodeon (UK) (50% owned), investments acquired during 1994 as part of the Mergers and in 1995, several start-up international ventures including MTV Asia. Investments acquired as part of the Mergers were USA Networks (50% owned), Discovery Zone (approximately 49% owned) and theatrical exhibition and other distribution ventures. The Company's interest in Lifetime is included prior to its sale in 1994 (See Note 16). Investments in affiliates are included in other assets.

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VIACOM INC. AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
 (Tabular dollars in millions, except per share amounts)

The following is a summary of financial information as reported by the equity investees on a 100% basis.

	YEAR ENDED DECEMBER 31,		
	1995	1994	1993
	----	----	----
Results of operations:			
Revenues.....	\$2,212.6	\$1,514.0	\$ 281.1
Operating income (loss).....	(364.6)	86.3	23.3
Net earnings (loss).....	(412.0)	57.4	10.1

	DECEMBER 31,	
	1995	1994
	----	----
Financial position:		
Current assets.....	\$ 891.8	\$ 925.6
Noncurrent assets.....	1,367.8	1,445.9
Current liabilities.....	990.5	784.2
Noncurrent liabilities.....	825.8	726.3
Equity.....	443.3	861.0

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

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VIACOM INC. AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
 (Tabular dollars in millions, except per share amounts)

7) BANK FINANCING AND DEBT

Long-term debt consists of the following:

	DECEMBER 31,	
	1995	1994
	----	----
Notes payable to banks (a).....	\$ 6,206.9	\$7,709.4

6.625% Senior Notes due 1998.....	150.0	150.0
5.875% Senior Notes * due 2000.....	149.5	149.5
7.5% Senior Notes * due 2002.....	247.4	247.0
6.75% Senior Notes due 2003, net of unamortized discount of \$.3 (b).....	349.7	--
7.75% Senior Notes due 2005, net of unamortized discount of \$9.0 (c).....	991.0	--
7.625% Senior Debentures due 2016, net of unamortized discount of \$1.4 (b).....	198.6	--
8.25% Senior Debentures * due 2022.....	247.1	247.0
7.5% Senior Debentures * due 2023.....	149.5	149.5
9.125% Senior Subordinated Notes * due 1999.....	150.0	150.0
8.75% Senior Subordinated Reset Notes * due 2001 (d).....	100.0	100.0
10.25% Senior Subordinated Notes * due 2001.....	200.0	200.0
7.0% Senior Subordinated Debentures * due 2003, net of unamortized discount of \$44.6 (1995) and \$48.4 (1994)	186.8	183.1
8.0% Merger Debentures due 2006, net of unamortized discount of \$120.1 (1995) and \$131.3 (1994).....	946.7	938.6
Other Notes.....	62.1	71.8
Obligations under capital leases.....	421.9	127.5
	-----	-----
	\$10,757.2	\$10,423.4
Less current portion.....	45.1	21.0
	-----	-----
	\$10,712.1	\$10,402.4
	=====	=====

* Issues of Viacom International guaranteed by the Company.

(a) -- On July 1, 1994, the Company entered into an aggregate \$6.489 billion credit agreement (the "Viacom Credit Agreement"), and Viacom International Inc. ("Viacom International") and certain of its subsidiaries (the "Subsidiary Obligors") entered into a \$311 million credit agreement (the "Viacom International Credit Agreement," together with the Viacom Credit Agreement, collectively the "Credit Agreements") each with certain banks, the proceeds of which were used to refinance debt related to the Paramount Merger and the previously existing bank debt of the Company, Viacom International and Paramount Communications. On September 29, 1994, the Company entered into an aggregate \$1.8 billion credit agreement (the "\$1.8 billion Credit Agreement") with certain banks, the proceeds of which were used to refinance the previously existing bank debt of Blockbuster.

The Company guarantees the Viacom International Credit Agreement and notes and debentures issued by Viacom International. Viacom International guarantees Viacom's Credit Agreement, the \$1.8 billion Credit Agreement and notes and debentures issued by the Company.

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VIACOM INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued) (Tabular dollars in millions, except per share amounts)

The following is a summary description of the credit agreements as of December 31, 1995. The description does not purport to be complete and should be read in conjunction with each of the credit agreements which have been previously filed as an exhibit and are incorporated by reference herein.

The Viacom Credit Agreement is comprised of (i) a \$1.5 billion senior unsecured revolving short term loan (the "Short-Term Loan") maturing December 31, 1996, (ii) a \$1.8 billion senior unsecured reducing revolving loan (the "Revolving Loan") maturing July 1, 2002 and (iii) a \$2.189 billion term loan maturing July 1, 2002 (the "Term Loan"). The Viacom International Credit Agreement is comprised of a \$311 million term loan to Viacom International and certain of its subsidiaries maturing July 1, 2002. The \$1.8 billion Credit Agreement is comprised of a \$1.8 billion senior unsecured reducing revolving loan to the

Company maturing July 1, 2002.

The Company may prepay the loans and reduce commitments under the Viacom Credit Agreement and the \$1.8 billion Credit Agreement in whole or in part at any time.

During 1995, the Company permanently prepaid amounts and reduced commitments under the Short-Term Loan by \$1.0 billion primarily from the proceeds from the sale of MSG and issuance of the 7.75% Senior Notes. These prepayments and commitment reductions are reflected in the Short-Term Loan.

Effective December 1995, certain provisions of the Credit Agreement were amended which among other things (i) eliminated required prepayments prior to December 31, 1996, except for prepayment of certain amounts received by the Company in connection with the completion of the pending cable transaction described in Note 3 or the potential sale of Spelling (ii) permitted completion of the cable transaction and (iii) reduced the applicable borrowing margin payable on all loans under the three facilities.

The interest rate on all loans made under the three facilities is based upon Citibank, N.A.'s base rate or the London Interbank Offered Rate and is affected by the Company's credit rating. At December 31, 1995, the London Interbank Offered Rates ("LIBOR") (upon which the Company's borrowing rate was based) for borrowing periods of one month and two months were 5.69% and 5.63%, respectively. At December 31, 1994, LIBOR for borrowing periods of one and two months were 6.0% and 6.25%, respectively.

The credit agreements contain certain covenants which, among other things, require that the Company maintain certain financial ratios and impose on the Company and its subsidiaries certain limitations on substantial asset sales and mergers with any other company in which the Company is not the surviving entity.

The credit agreements contain certain customary events of default and provide that it is an event of default if NAI fails to own at least 51% of the outstanding voting stock of the Company.

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VIACOM INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued) (Tabular dollars in millions, except per share amounts)

The Company is required to pay a commitment fee based on the aggregate daily unborrowed portion of the loan commitments. As of December 31, 1995, the Company had \$1.5 billion of available unborrowed loan commitments. The credit agreements do not require compensating balances.

(b) -- During December 1995, the Company issued an aggregate principal amount of \$350 million of 6.75% Senior Notes due 2003 at a price to the public of 99.903% and \$200 million of 7.625% Senior Debentures due 2016 at a price to the public of 99.29%. Proceeds from the issuance were used to repay notes payable to banks. Such notes and debentures were issued pursuant to the shelf registration statement described below.

(c) -- During May 1995, the Company issued an aggregate principal amount of \$1 billion of 7.75% Senior Notes due June 1, 2005 at a price to the public of 99.04%. Proceeds from the issuance were used to repay notes payable to banks, of which approximately \$400 million was a permanent reduction of the Company's bank commitments. Such notes were issued pursuant to the shelf registration statement described below.

(d) -- The \$100 million aggregate principal amount of 8.75% Senior Subordinated Reset Notes ("8.75% Reset Notes") are due on May 15, 2001. On May 15, 1995 the interest rate was reset at the original interest rate of 8.75%. On May 15, 1998, unless a notice of redemption of the 8.75% Reset Notes on such date has been given by the Company, the interest rate on the 8.75% Reset Notes

will, if necessary, be adjusted from the rate then in effect to a rate to be determined on the basis of market rates in effect on May 5, 1998, as the rate the 8.75% Reset Notes should bear in order to have a market value of 101% of principal amount immediately after the resetting of the rate. In no event will the interest rate be lower than 8.75% or higher than the average three year treasury rate (as defined in the indenture) multiplied by two. Interest rate reset on May 15, 1998 will remain in effect on the 8.75% Reset Notes thereafter. The 8.75% Reset Notes are redeemable at the option of the Company, in whole but not in part, or on May 15, 1998, at a redemption price of 101% of principal amount plus accrued interest to, but not including, the date of redemption.

The Company filed a shelf registration statement with the Securities and Exchange Commission registering debt securities, preferred stock and contingent value rights of Viacom and guarantees of such debt securities by Viacom International which may be issued for aggregate gross proceeds of \$3.0 billion. The registration statement was declared effective on May 10, 1995. The net proceeds from the sale of the offered securities may be used by Viacom to repay, redeem, repurchase or satisfy its obligations in respect of its outstanding indebtedness or other securities; to make loans to its subsidiaries; for general corporate purposes; or for such other purposes as may be specified in the applicable Prospectus Supplement. During 1995, the Company issued \$1.6 billion of notes and debentures under this shelf registration statement.

EXTRAORDINARY LOSSES

During 1994, the proceeds from the Viacom Credit Agreement were used to refinance the previously existing bank debt of the Company. The Company recognized an extraordinary loss from the extinguishment of debt of \$20.4 million, net of a tax benefit of \$11.9 million. The effective tax rate of 36.8% is greater than the federal statutory tax rate of 35% due to state tax benefits.

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VIACOM INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Tabular dollars in millions, except per share amounts)

On July 15, 1993, Viacom International redeemed all of the \$298 million principal amount outstanding of the 11.80% Senior Subordinated Notes at a redemption price equal to 103.37% of the principal amount plus accrued interest to July 15, 1993. Viacom International recognized an extraordinary loss from the extinguishment of debt of \$8.9 million, net of a tax benefit of \$6.1 million. The effective tax rate of 40.7% is greater than the federal statutory tax rate of 35% due to state tax benefits.

The Company borrowed the funds necessary for each of these redemptions under its bank credit facilities existing in the respective periods.

Interest costs incurred, interest income and capitalized interest are summarized below:

	YEAR ENDED DECEMBER 31,		
	1995	1994	1993
	----	----	----
Interest Incurred.....	\$ 868.5	\$ 536.3	\$ 154.5
Interest Income.....	\$ 33.4	\$ 32.6	\$ 9.1
Capitalized Interest....	\$ 13.7	\$ 9.6	\$.4

Scheduled maturities of long-term debt of the Company through December 31, 2000, assuming full utilization of the commitments under the credit agreements are \$1.6 billion (1996), \$248.9 million (1997), \$1.0 billion (1998), \$1.5 billion (1999) and \$1.3 billion (2000). The Company has classified certain short-term indebtedness as long-term debt based upon its intent and ability to refinance such indebtedness on a long-term basis.

8) FINANCIAL INSTRUMENTS

The Company's carrying value of the financial instruments approximates fair value, except for differences with respect to the notes and debentures and certain differences related to other financial instruments which are not significant. The carrying value of the senior debt, senior subordinated debt and subordinated debt is \$4.1 billion and the fair value, which is estimated based on quoted market prices, is approximately \$4.3 billion.

The Company enters into interest rate exchange agreements with off-balance sheet risk in order to reduce its exposure to changes in interest rates on its variable rate long-term debt and/or take advantage of changes in interest rates. These interest rate exchange agreements include interest rate swaps and interest rate caps. At December 31, 1995, the Company had \$1.6 billion of interest rate exchange agreements outstanding with commercial banks. These agreements, which expire over the next two years, effectively change the Company's interest rate on an equivalent amount of variable rate borrowings to a fixed rate of 6.3%.

The Company enters into foreign currency exchange contracts in order to reduce its exposure to changes in foreign currency exchange rates that affect the value of its firm commitments and certain anticipated foreign currency cash flows. These contracts generally mature within the calendar year. The Company does not enter into foreign currency contracts for speculative purposes. To date, the

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VIACOM INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Tabular dollars in millions, except per share amounts)

contracts utilized have been purchased options and forward contracts. A forward contract is an agreement between two parties to exchange a specified amount of foreign currency, at a specified exchange rate on a specified future date. An option contract provides the right, but not the obligation, to buy or sell currency at a fixed exchange rate on a future date. The contracts have principally hedged the British pound, the Australian dollar, the Japanese yen, the Canadian dollar, the German deutschemark and the European Currency Unit/British pound relationship. At December 31, 1995, the Company had outstanding contracts with a notional value of approximately \$12.0 million which expire in 1996. Realized gains and losses on contracts that hedge anticipated future cash flows are recognized in "Other Items, Net" and were not material in each of the periods. Option premiums are amortized over the life of the contract. Deferred gains and losses on foreign currency exchange contracts as of December 31, 1995 were not material.

The Company continually monitors its positions with, and credit quality of, the financial institutions which are counterparties to its financial instruments. The Company is exposed to credit loss in the event of nonperformance by the counterparties to the agreements. However, the Company does not anticipate nonperformance by the counterparties. The Company's receivables do not represent significant concentrations of credit risk at December 31, 1995, due to the wide variety of customers, markets and geographic areas to which the Company's products and services are sold.

9) SHAREHOLDERS' EQUITY

On July 7, 1995 the CVRs matured. The Company paid approximately \$81.9 million in cash, or approximately \$1.44 per CVR, to settle its obligation under the CVRs.

On September 29, 1995 the VCRs matured. The Company issued approximately 6.1 million shares of Viacom Inc. Class B Common Stock, or .022665 of a share of

Viacom Inc. Class B Common Stock per VCR, to settle its obligation under the VCRs.

During March 1994, Blockbuster purchased 22.7 million shares of Viacom Class B Common Stock at a price of \$55 per share. The common stock was canceled upon consummation of the Blockbuster Merger.

On October 22, 1993, Blockbuster purchased 24 million shares of cumulative convertible preferred stock, par value \$.01 per share, of the Company ("Series A Preferred Stock") for \$600 million. The Preferred Stock purchased by Blockbuster was canceled upon consummation of the Blockbuster Merger. On November 19, 1993, NYNEX Corporation ("NYNEX") purchased 24 million shares of cumulative convertible preferred stock, par value \$.01 per share, of the Company ("Series B Preferred Stock," collectively with the Series A Preferred Stock, "Preferred Stock") for \$1.2 billion. Series B Preferred Stock has a liquidation preference of \$50 per share, an annual dividend rate of 5%, is convertible into shares of Viacom Class B Common Stock at a conversion price of \$70 and does not have voting rights other than those required by law. The Series B Preferred Stock is redeemable by the Company at declining premiums after five years from issuance.

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VIACOM INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Tabular dollars in millions, except per share amounts)

NAI holds approximately 25% and the public holds approximately 75% of the Company's outstanding Common Stock as of December 31, 1995. NAI owns 61% of the outstanding Viacom Class A Common Stock as of December 31, 1995.

Long-Term Incentive Plans - The purpose of the Long-Term Incentive Plans (the "Plans") is to benefit and advance the interests of the Company by rewarding certain key employees for their contributions to the financial success of the Company and thereby motivating them to continue to make such contributions in the future. The Plans provide for grants of equity-based interests pursuant to awards of phantom shares, stock options, stock appreciation rights, restricted shares or other equity-based interests ("Awards"), and for subsequent payments of cash with respect to phantom shares or stock appreciation rights based, subject to certain limits, on their appreciation in value over stated periods of time.

In addition to the 18.6 million stock option awards outstanding under various plans, as of December 31, 1995 there are phantom shares for 321,549 shares of common stock all of which are vested, at an average grant price of \$29. The stock options generally vest over a four to six year period from the date of grant and expire 10 years after the date of grant.

Each of the unexercised stock options to purchase Paramount Communications or Blockbuster common stock that was outstanding at the time of the respective mergers automatically became options to purchase the merger consideration applicable to the stock option under the same price and terms, except that, for employees of Paramount Communications who were employees on the date of the Paramount Merger, additional Viacom Class B Common Stock valued in July 1995, will be issued on exercise of such options as consideration for the cash portion of the blended purchase price per share of Paramount Communications that was not reflected in the Merger consideration because of the transaction structure. These options generally became vested upon the effective date of the Merger, and are exercisable over a three to five year period and expire 10 years after the date of grant.

VIACOM INC. AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
 (Tabular dollars in millions, except per share amounts)

The following table summarizes the stock activity under the various plans:

	NUMBER OF SHARES -----	PER SHARE OPTION PRICE RANGE -----
BALANCE AT DECEMBER 31, 1992.....	3,557,591	\$ 20.75 to \$31.875
Granted.....	856,990	43.25 to 55.25
Exercised.....	(346,378)	20.75 to 31.875
Canceled.....	(95,146)	20.75 to 55.25

BALANCE AT DECEMBER 31, 1993.....	3,973,057	20.75 to 55.25

Granted.....	3,931,562	34.75 to 52.125
Assumed in connection with the Mergers	19,955,783	1.45 to 44.94
Exercised.....	(1,336,751)	6.67 to 37.07
Canceled.....	(1,508,535)	11.74 to 55.25

BALANCE AT DECEMBER 31, 1994.....	25,015,116	1.45 to 55.25

Granted.....	295,184	39.875 to 50.50
Exercised.....	(5,312,711)	1.52 to 47.26
Canceled.....	(1,429,268)	12.34 to 55.25

BALANCE AT DECEMBER 31, 1995.....	18,568,321	\$1.52 to \$55.25
	=====	

STOCK OPTIONS AVAILABLE FOR FUTURE GRANT:

December 31, 1993.....	1,994,020
December 31, 1994.....	6,143,638
December 31, 1995.....	7,229,853

SHARES ISSUABLE UNDER EXERCISABLE STOCK OPTIONS:

December 31, 1993.....	1,448,570
December 31, 1994.....	18,110,234
December 31, 1995.....	13,120,626

The Company has reserved a total of 1,311,211 shares of Viacom Class A Common Stock and 34,399,967 shares of Viacom Class B Common Stock principally for exercise of stock options and warrants, and the conversion of the Preferred Stock.

10) INCOME TAXES

During the first quarter of 1993, the Company adopted Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" ("SFAS 109") on a prospective basis and recognized an increase to earnings of \$10.4 million in 1993 as the cumulative effect of a change in accounting principle. SFAS 109 mandates the liability method for computing deferred income taxes.

VIACOM INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Tabular dollars in millions, except per share amounts)

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

	YEAR ENDED DECEMBER 31,		
	1995	1994	1993
	----	----	----
United States.....	\$416.3	\$179.4	\$267.8
Foreign.....	272.9	197.3	34.0
	-----	-----	-----
Total.....	\$689.2	\$376.7	\$301.8
	=====	=====	=====

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

	YEAR ENDED DECEMBER 31,		
	1995	1994	1993
	----	----	----
Current:			
Federal.....	\$83.7	\$139.1	\$89.5
State and local.....	46.5	78.3	10.4
Foreign.....	64.1	65.8	5.6
	-----	-----	-----
Deferred.....	194.3	283.2	105.5
	222.7	(3.5)	24.3
	-----	-----	-----
	\$417.0	\$279.7	\$129.8
	=====	=====	=====

Earnings (loss) accounted for under the equity method of accounting are shown net of tax on the Company's Statement of Operations. The tax provision (benefits) relating to earnings (loss) from equity investments in 1995, 1994 and 1993 are \$(22.7) million, \$9.8 million and \$(.6) million, respectively, which represents an effective tax rate of 29.6%, 35.0% and 19.4%, respectively. The difference between the effective tax rates and the federal statutory tax rate of 35% is principally due to the effect of nondeductible goodwill amortization and state and local taxes related to equity earnings (loss). See Notes 4 and 7 for tax benefits relating to the Discontinued Operations and Extraordinary Losses, respectively. In addition to the amounts reflected in the table above, \$35.8 million and \$13.3 million of income tax benefit in 1995 and 1994, respectively, was recorded as a component of shareholders' equity as a result of exercised stock options.

effective tax rate on earnings from continuing operations before income taxes is summarized as follows:

	YEAR ENDED DECEMBER 31,		
	1995	1994	1993
Statutory U.S. tax rate.....	35.0%	35.0%	35.0%
State and local taxes, net of federal tax benefit.....	5.3	6.6	5.7
Effect of foreign operations.....	(5.2)	.2	.5
Amortization of intangibles.....	22.5	25.9	7.1
Divestiture tax versus book.....	.8	1.5	(3.2)
Income tax reserve adjustment.....	--	--	(5.0)
Effect of changes in statutory rate.	--	--	.5
Other, net.....	2.1	5.1	2.4
Effective tax rate on earnings from continuing operations.....	60.5%	74.3%	43.0%

The annual effective tax rate of 43% for 1993 includes a reduction of certain prior year tax reserves in the amount of \$22 million based on the favorable settlement of federal and state and local audits.

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VIACOM INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Tabular dollars in millions, except per share amounts)

The following is a summary of the components of the deferred tax accounts in accordance with SFAS 109:

	YEAR ENDED DECEMBER 31,	
	1995	1994
Current deferred tax assets and (liabilities):		
Recognition of revenue.....	\$ 68.4	\$ 22.5
Sales return and allowances.....	100.6	96.6
Publishing costs.....	37.8	72.2
Employee compensation and other payroll related expenses.....	37.5	24.1
Other differences between tax and financial statement values.....	2.1	(21.6)
Gross current deferred net tax assets.....	246.4	193.8

Noncurrent deferred tax assets and (liabilities):		
Depreciation/amortization of fixed assets and intangibles.....	(138.5)	(9.8)
Reserves including restructuring and relocation charges.....	285.1	334.4
Program costs.....	(17.4)	(67.9)
Acquired net operating loss and tax credit carryforwards.....	105.4	100.3
Amortization of discount on 8% Merger Debentures...	78.5	85.7
Recognition of revenue.....	24.8	89.9
Other differences between tax and financial statement values.....	125.0	72.8
	-----	-----
Gross noncurrent deferred net tax assets.....	462.9	605.4
	-----	-----
Valuation allowance.....	(81.8)	(75.7)
	-----	-----
Total net deferred tax assets (liabilities)....	\$ 627.5	\$ 723.5
	=====	=====

As of December 31, 1995 and December 31, 1994, the Company had total deferred tax assets of \$865.2 million and \$898.5 million, respectively, and total deferred tax liabilities of \$155.9 million and \$99.3 million, respectively.

As of December 31, 1995, the Company had net operating loss carryforwards of approximately \$202.0 million and capital loss carryforwards of approximately \$4.8 million which expire in various years from 1996 through 2010. The Company has foreign tax credit and investment tax credit carryforwards of approximately \$22.3 million which expire by the year 2000. In addition, the Company has alternative minimum tax credit carryforwards of approximately \$7.0 million that may be carried forward indefinitely.

The 1995 and 1994 net deferred tax asset is reduced by a valuation allowance of \$81.8 million and \$75.7 million, respectively, principally relating to tax benefits of net operating loss and tax credit carryforwards which are not expected to be recognized as a result of limitations applied where there is a change of ownership. The \$6.1 million increase during 1995 in the deferred tax valuation allowance primarily relates to an increase in the amount of acquired tax credit carryforwards for which a full valuation allowance has been recorded.

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VIACOM INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Tabular dollars in millions, except per share amounts)

The Company's share of the undistributed earnings of foreign subsidiaries not included in its consolidated Federal income tax return that could be subject to additional income taxes if remitted, was approximately \$1.1 billion and \$881 million at December 31, 1995 and December 31, 1994, respectively. No provision has been recorded for the U.S. or foreign taxes that could result from the remittance of such undistributed earnings since the Company intends to reinvest these earnings outside the United States indefinitely and it is not practicable to estimate the amount of such taxes.

11) PENSION PLANS, OTHER POSTRETIREMENT BENEFITS AND
POSTEMPLOYMENT BENEFITS

The Company and certain of its subsidiaries have non-contributory pension plans covering specific groups of employees. The Company continues to maintain the pension plans of the former Paramount Communications. The benefits for these plans are based primarily on an employee's years of service and pay near retirement. Participant employees are vested in the plans after five years of

service. The Company's policy for all pension plans is to fund amounts in accordance with the Employee Retirement Income Security Act of 1974. Plan assets consist principally of common stocks, marketable bonds and United States government securities.

Net periodic pension cost consists of the following components:

	YEAR ENDED DECEMBER 31,		
	1995	1994	1993
Service cost - benefits earned during the period.....	\$ 25.2	\$ 22.1	\$ 5.4
Interest cost on projected benefit obligation.....	48.9	33.4	4.1
Return on plan assets:			
Actual.....	(108.9)	2.9	(1.8)
Deferred.....	67.2	(37.7)	(1.1)
Net amortizations.....	(.4)	.6	.5
Net pension cost.....	\$ 32.0	\$ 21.3	\$ 7.1

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VIACOM INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Tabular dollars in millions, except per share amounts)

The funded status of the pension plans for the periods indicated is as follows:

	DECEMBER 31,			
	1995		1994	
	ACCUMULATED BENEFITS EXCEED ASSETS	ASSETS EXCEED ACCUMULATED BENEFITS	ACCUMULATED BENEFITS EXCEED ASSETS	ASSETS EXCEED ACCUMULATED BENEFITS
Actuarial present value of benefit obligations:				
Accumulated benefit obligation:				
Vested.....	\$ (96.9)	\$ (454.6)	\$ (32.3)	\$ (386.6)
Non-vested.....	(3.4)	(15.5)	(.7)	(27.8)
Total.....	\$ (100.3)	\$ (470.1)	\$ (33.0)	\$ (414.4)
Projected benefit obligation.....	\$ (132.1)	\$ (542.0)	\$ (45.4)	\$ (480.2)
Plan assets at fair value.....	43.0	503.9	8.7	439.3
Projected benefit obligation in excess of plan assets.....	(89.1)	(38.1)	(36.7)	(40.9)
Unrecognized net (gain) losses....	18.7	2.4	(4.7)	(7.9)
Unrecognized prior service cost...	3.2	(12.7)	5.5	(1.7)
Unrecognized transition obligation	3.5	(9.8)	1.8	--
Adjustment to recognize minimum liability.....	(8.5)	--	(.9)	--

Pension liability at year end.....	\$ (72.2)	\$ (58.2)	\$ (35.0)	\$ (50.5)
	=====	=====	=====	=====

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

	1995	1994	1993
	----	----	----
Discount rate.....	7.25%	8.5%	7.5%
Return on plan assets.....	9.5%	9.0-10.0%	9.0%
Rate of increase in future compensation.	5.0-5.5%	5.0-6.0%	6.0%

In addition, the Company contributes to multiemployer pension plans which provide benefits to certain employees under collective bargaining agreements. The pension expense for these plans was \$18.0 million (1995) and \$10.9 million (1994).

The Company sponsors a welfare plan which provides certain postretirement health care and life insurance benefits to substantially all of the Paramount Communications employees and their covered dependents who generally have worked 10 years and are eligible for early or normal retirement under the provisions of the Paramount Communications retirement plan. The welfare plan is contributory and contains cost-sharing features such as deductible and coinsurance which are adjusted annually. The plan is not funded. The Company continues to fund these benefits as claims are paid.

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VIACOM INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Tabular dollars in millions, except per share amounts)

The components of the amount recognized are as follows:

	DECEMBER 31,	

	1995	1994
	----	----
Accumulated postretirement benefit obligation attributable to:		
Current retirees.....	\$ 98.5	\$ 88.9
Fully eligible active plan participants.....	15.7	17.8
Other active plan participants.....	40.5	35.1
Unrecognized net gain.....	13.6	21.4
	-----	-----
Accumulated postretirement benefit obligation.....	\$ 168.3	\$ 163.2
	=====	=====

The components of net periodic postretirement benefit cost are as follows:

	DECEMBER 31,	

	1995	1994
	----	----
Service costs-benefits earned.....	\$ 3.8	\$ 4.4
Interest cost on accumulated postretirement benefit obligation.....	10.8	9.5
Amortization of gain.....	(1.4)	--

Net periodic postretirement benefit cost.....	----- \$13.2 =====	----- \$13.9 =====
	1995 ----	1994 ----

The following assumptions were used in accounting for post retirement benefits:

Projected health care cost trend rate.....	11%	12%
Ultimate trend rate.....	5.5%	5.5%
Year ultimate trend rate is achieved.....	2001	2001
Discount rate.....	7.25%	8.5%
Effect of a 1% point increase in the health care cost trend rate:		
Postretirement benefit obligation.....	\$20.6	\$19.9
Aggregate of service and interest cost.....	\$ 2.4	\$ 2.6

In addition, the Company contributed to multiemployer plans which provide health and welfare benefits to active as well as retired employees. The Company had costs of \$12.1 million and \$10.0 million related to these benefits during the years ended December 31, 1995 and 1994.

In 1994, the Company adopted Statement of Financial Accounting Standards No. 112, "Employers' Accounting For Postemployment Benefits" ("SFAS 112"). SFAS 112 did not have a significant effect on the Company's consolidated financial position or results of operations.

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VIACOM INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Tabular dollars in millions, except per share amounts)

12) COMMITMENTS AND CONTINGENCIES

The Company has long-term noncancelable lease commitments for retail and office space and equipment, transponders, studio facilities and vehicles.

At December 31, 1995, minimum rental payments under noncancelable leases are as follows:

	LEASES	
	----- OPERATING -----	----- CAPITAL -----
1996.....	\$ 502.5	\$ 90.3
1997.....	452.4	89.0
1998.....	409.9	90.5
1999.....	356.0	92.3
2000.....	299.0	70.1
2001 and thereafter.....	1,598.1	218.5
	-----	-----
Total minimum lease payments.....	\$3,617.9 =====	650.7
Less amounts representing interest.....		228.8 -----
Present value of net minimum payments..		\$ 421.9 =====

The Company has also entered into capital leases for transponders with future

minimum commitments commencing in future periods of approximately \$262.5 million payable over the next thirteen years. Such commitments are contingent upon the successful operation of satellites. Future minimum capital lease payments have not been reduced by future minimum sublease rentals of \$122.9 million. Rent expense amounted to \$487.8 million (1995), \$240.2 million (1994) and \$74.2 million (1993).

The commitments of the Company for program license fees, which are not reflected in the balance sheet as of December 31, 1995 and are estimated to aggregate approximately \$2.2 billion, principally reflect commitments under Showtime Networks Inc.'s ("SNI's") exclusive arrangements with several motion picture companies. This estimate is based upon a number of factors. A majority of such fees are payable over several years, as part of normal programming expenditures of SNI. These commitments are contingent upon delivery of motion pictures which are not yet available for premium television exhibition and, in many cases, have not yet been produced.

There are various lawsuits and claims pending against the Company. Management believes that any ultimate liability resulting from those actions or claims will not have a material adverse effect on the Company's results of operations, financial position or cash flows.

Certain subsidiaries and affiliates of the Company from time to time receive claims from federal and state environmental regulatory agencies and other entities asserting that they are or may be liable for environmental cleanup costs and related damages, principally relating to discontinued operations conducted by its former mining and manufacturing businesses (acquired as part of the Mergers). The Company has recorded a liability at approximately the mid-point of its estimated range of environmental exposure. Such liability was not reduced by potential insurance recoveries and reflects management's estimate of cost sharing at multiparty sites. The estimated range of the potential

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VIACOM INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Tabular dollars in millions, except per share amounts)

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

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VIACOM INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Tabular dollars in millions, except per share amounts)

13) BUSINESS SEGMENTS

	YEAR ENDED OR AT DECEMBER 31,		
	1995	1994	1993
	----	----	----
REVENUES:			
Networks and Broadcasting.....	\$ 2,137.4	\$ 1,855.1	\$1,403.0
Entertainment.....	3,650.4	2,285.2	209.1
Video and Music/Theme Parks.....	3,333.4	1,070.4	--
Publishing.....	2,171.1	1,786.4	--
Cable Television.....	444.4	406.2	416.0
Intercompany elimination.....	(48.0)	(40.1)	(23.2)
	-----	-----	-----
Total revenues.....	\$11,688.7	\$ 7,363.2	\$2,004.9
	=====	=====	=====
OPERATING INCOME:			
Networks and Broadcasting.....	\$ 561.3	\$ 357.1	\$ 314.4
Entertainment.....	307.3	(88.4)	32.5
Video and Music/Theme Parks.....	501.5	199.5	--
Publishing.....	186.3	193.9	--
Cable Television.....	101.1	78.8	110.2
Corporate.....	(164.2)	(132.6)	(72.1)
	-----	-----	-----
Total operating income.....	\$ 1,493.3	\$ 608.3	\$ 385.0
	=====	=====	=====
DEPRECIATION AND AMORTIZATION:			
Networks and Broadcasting.....	\$ 117.0	\$ 96.2	\$ 68.2
Entertainment.....	138.6	94.4	9.5
Video and Music/Theme Parks.....	321.5	90.4	--
Publishing.....	153.9	103.0	--
Cable Television.....	81.8	76.4	71.5
Corporate.....	7.6	5.3	3.9
	-----	-----	-----
Total depreciation and amortization.....	\$ 820.4	\$ 465.7	\$ 153.1
	=====	=====	=====
IDENTIFIABLE ASSETS AT YEAR END:			
Networks and Broadcasting.....	\$ 4,417.8	\$ 4,115.2	\$2,538.6
Entertainment.....	7,920.1	8,171.8	845.6
Video and Music/Theme Parks.....	9,646.3	9,189.6	--
Publishing.....	5,343.7	5,194.7	--
Cable Television.....	1,063.6	1,030.1	963.0
Corporate.....	634.5	572.3	2,069.7
	-----	-----	-----
Total identifiable assets at year end.....	\$29,026.0	\$28,273.7	\$6,416.9
	=====	=====	=====
CAPITAL EXPENDITURES:			
Networks and Broadcasting.....	\$ 58.2	\$ 53.8	\$ 40.7
Entertainment.....	58.1	19.6	4.9
Video and Music/Theme Parks.....	388.5	145.9	--
Publishing.....	52.4	34.5	--

Cable Television.....	119.3	99.8	79.5
Corporate.....	54.1	11.3	9.9
	-----	-----	-----
Total capital expenditures...	\$ 730.6	\$ 364.9	\$ 135.0
	=====	=====	=====

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VIACOM INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Tabular dollars in millions, except per share amounts)

14) OPERATIONS BY GEOGRAPHIC AREA

	YEAR ENDED OR AT DECEMBER 31,		
	1995	1994	1993
	----	----	----
Revenues:			
United States.....	\$ 9,526.2	\$ 6,002.6	\$ 1,857.5
United States export sales.....	215.2	137.4	25.2
International.....	1,947.3	1,223.2	122.2
	-----	-----	-----
Total revenues.....	\$ 11,688.7	\$ 7,363.2	\$ 2,004.9
	=====	=====	=====
Operating income:			
United States.....	\$ 1,287.8	\$ 423.8	\$ 341.8
International.....	205.5	184.5	43.2
	-----	-----	-----
Total operating income.....	\$ 1,493.3	\$ 608.3	\$ 385.0
	=====	=====	=====
Identifiable assets at year end:			
United States.....	\$ 26,146.6	\$ 25,876.1	\$ 6,301.2
Other.....	2,879.4	2,397.6	115.7
	-----	-----	-----
Total identifiable assets.....	\$ 29,026.0	\$ 28,273.7	\$ 6,416.9
	=====	=====	=====

Intercompany transfers between geographic areas are not significant.

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VIACOM INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Tabular dollars in millions, except per share amounts)

15) QUARTERLY FINANCIAL DATA (unaudited):

Summarized quarterly financial data for 1995 and 1994 appears below:

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	TOTAL YEAR
1995					
Revenue (1).....	\$ 2,695.6	\$ 2,865.2	\$ 3,062.4	\$ 3,065.5	\$ 11,688.7
Operating income (1).....	\$ 335.1	\$ 388.2	\$ 489.6	\$ 280.4	1,493.3
Net earnings from continuing operations (2).....	\$ 63.6	\$ 53.0	\$ 93.8	\$ 4.5	214.9
Net earnings (2).....	\$ 71.2	\$ 53.0	\$ 93.8	\$ 4.5	222.5
Net earnings attributable to common stock.....	\$ 56.2	\$ 38.0	\$ 78.8	\$ (10.5)	162.5
Primary and fully diluted net earnings per common share:					
Net earnings from continuing operations.....	\$.13	\$.10	\$.21	\$ (.03)	\$.41
Net earnings.....	\$.15	\$.10	\$.21	\$ (.03)	\$.43
Weighted average number of common shares:					
Primary (3).....	384.9	386.1	376.1	369.2	375.1
Fully diluted (3).....	385.3	386.8	376.4	369.2	375.5
1994					
Revenue (4)	\$ 837.8	\$ 1,612.6	\$ 2,135.4	\$ 2,777.4	\$ 7,363.2
Operating income (4).....	\$ (306.7)	\$ 185.8	\$ 422.8	\$ 306.4	\$ 608.3
Net earnings (loss) from continuing operations before extraordinary losses and cumulative effect of change in accounting principle (4) (5).....	\$ (435.5)	\$ 265.6	\$ 335.1	\$ (34.7)	\$ 130.5
Net earnings (loss) (4) (5).....	\$ (431.6)	\$ 244.1	\$ 327.3	\$ (50.2)	\$ 89.6
Net earnings (loss) attributable to common stock (4) (5).....	\$ (454.1)	\$ 221.6	\$ 312.3	\$ (65.2)	\$ 14.6
Net earnings (loss) per common share:					
Primary:					
Net earnings (loss) from continuing operations before extraordinary losses and cumulative effect of change in accounting principle.....	\$ (3.62)	\$ 1.69	\$ 1.45	\$ (.14)	\$.25
Net earnings (loss).....	\$ (3.59)	\$ 1.55	\$ 1.41	\$ (.18)	\$.07
Weighted average number of common shares.....	126.4	143.5	221.1	358.2	220.0
Fully diluted:					
Net earnings (loss) from continuing operations before extraordinary losses and cumulative effect of change in accounting principle (6).....	\$ (3.62)	\$ 1.57	\$ 1.36	\$ (.14)	\$.25
Net earnings (loss) (6).....	\$ (3.59)	\$ 1.44	\$ 1.32	\$ (.18)	\$.07
Weighted average number of common shares.....	126.4	169.7	247.2	358.2	220.4

The timing of the Company's results of operations is affected by the seasonality of the educational publishing business, the typical timing of major motion picture releases, the summer operation of the theme parks, the positive effect of the holiday season on advertising and video store revenues, and the impact of the broadcasting television season on television production.

- (1) The first quarter of 1995 included \$250.0 million of revenues and \$68.0 million of operating income resulting from the conforming of accounting principles pertaining to the television programming libraries of Viacom Entertainment, Spelling and Paramount.
- (2) The fourth quarter of 1995 included an after-tax equity loss of \$31.5 million related to Discovery Zone.
- (3) The first and second quarter of 1995 includes shares of common stock potential issuance under CVRs. The CVRs were settled in cash on July 7, 1995 (See Note 2.)
- (4) The first quarter of 1994 reflects Paramount Communications' results of operations commencing March 1, 1994 and merger-related charges of \$332.1 million. The fourth quarter of 1994 reflects Blockbuster results of operations commencing October 1, 1994. (See Notes 2.)
- (5) The second quarter of 1994 reflects the pre-tax gain on the sale of the

one-third partnership interest in Lifetime of \$267.4 million. (See Note 16.)

- (6) The second and third quarter of 1994 reflect the effects of the assumed conversion of the Preferred Stock.

VIACOM INC. AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
 (Tabular dollars in millions, except per share amounts)

16) OTHER ITEMS, NET

For 1995, "Other items, net" primarily reflects a gain of \$26.9 million on the sale of marketable securities.

On April 4, 1994, Viacom International sold its one-third partnership interest in Lifetime for approximately \$317.6 million, which resulted in a pre-tax gain of approximately \$267.4 million in the second quarter of 1994. Proceeds from the sale were used to reduce outstanding debt of Viacom International.

As part of the settlement of the Time Warner antitrust lawsuit, the Company sold all the stock of Viacom Cablevision of Wisconsin, Inc. to Warner Communications Inc. ("Warner"). This transaction was effective on January 1, 1993. As consideration for the stock, Warner paid the sum of \$46 million plus repayment of debt under the Credit Agreement in the amount of \$49 million, resulting in a pre-tax gain of approximately \$55 million reflected in "Other items, net." Also reflected in this line item is the net gain on the sale of a portion of an investment held at cost and adjustments to previously established non-operating litigation reserves, and other items.

17) SUPPLEMENTAL CASH FLOW INFORMATION

	YEAR ENDED DECEMBER 31,		
	1995	1994	1993
	----	----	----
Cash payments for interest net of amounts capitalized.....	\$925.9	\$ 293.6	\$167.4
Cash payments for income taxes.....	485.7	135.2	32.7
 SUPPLEMENTAL SCHEDULE OF NON-CASH FINANCING AND INVESTING ACTIVITIES:			
Settlement of VCRs with Class B Common Stock.....	402.6	--	--
Paramount Merger Consideration.....	--	3,175.0	--
Blockbuster Merger Consideration.....	--	7,622.8	--
Equipment acquired under capitalized leases	314.5	47.6	44.4
Cancellation of Preferred Stock and Viacom Class B Common Stock issued to Blockbuster.....	--	1,850.0	--

18) CONDENSED CONSOLIDATING FINANCIAL STATEMENTS

Viacom International is a wholly owned subsidiary of Viacom. Viacom's guarantees of the Viacom International debt securities are full and unconditional (See Note 7). Viacom has determined that separate financial statements and other disclosures concerning Viacom International are not material to investors. On January 3, 1995, Paramount Communications was merged into Viacom International

and, therefore, Viacom International holds the assets of Paramount Communications subject to its liabilities including approximately \$1.0 billion of issuances of long-term debt (reflected in non-guarantor affiliates for 1994).

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VIACOM INC. AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
 (Tabular dollars in millions, except per share amounts)

The following condensed consolidating financial statements present the results of operations, financial position and cash flows of Viacom, Viacom International (carrying any investments in non-guarantor affiliates under the equity method), and non-guarantor affiliates of Viacom, and the eliminations necessary to arrive at the information for the Company on a consolidated basis. Financial statements of Viacom International for 1993 as previously filed on Form 10-K are incorporated by reference herein.

	1995				
	VIACOM	VIACOM INTERNATIONAL	NON-GUARANTOR AFFILIATES	ELIMINATIONS	THE COMPANY CONSOLIDATED
Revenues.....	\$ 3,674.1	\$ 1,005.4	\$ 7,025.9	\$ (16.7)	\$ 11,688.7
Expenses:					
Operating.....	2,528.0	337.9	4,223.5	(16.7)	7,072.7
Selling, general and administrative.....	304.3	450.7	1,547.3	--	2,302.3
Depreciation and amortization	307.0	52.2	461.2	--	820.4
Total expenses.....	3,139.3	840.8	6,232.0	(16.7)	10,195.4
Operating income.....	534.8	164.6	793.9	--	1,493.3
Other income (expense):					
Interest expense, net.....	(696.3)	(98.1)	(27.0)	--	(821.4)
Other items, net.....	0.1	28.6	(11.4)	--	17.3
Earnings (loss) from continuing operations before income taxes	(161.4)	95.1	755.5	--	689.2
Provision for income taxes	(3.7)	(51.5)	(361.8)	--	(417.0)
Equity in earnings (loss) of affiliated companies, net of tax	391.1	405.6	38.2	(888.8)	(53.9)
Minority interest.....	(3.5)	(.7)	0.8	--	(3.4)
Net earnings from continuing operations.....	222.5	448.5	432.7	(888.8)	214.9
Income from discontinued operations, net of tax	--	--	7.6	--	7.6
Net earnings.....	222.5	448.5	440.3	(888.8)	222.5
Cumulative convertible preferred stock dividend requirement	60.0	--	--	--	60.0
Net earnings attributable to common stock.....	\$ 162.5	\$ 448.5	\$ 440.3	\$ (888.8)	\$ 162.5

VIACOM INC. AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
 (Tabular dollars in millions, except per share amounts)

	1994				
	VIACOM	VIACOM INTERNATIONAL	NON- GUARANTOR AFFILIATES	ELIMINATIONS	THE COMPANY CONSOLIDATED
	-----	-----	-----	-----	-----
Revenues.....	\$1,031.1	\$ 988.6	\$5,356.7	\$ (13.2)	\$7,363.2
Expenses:					
Operating.....	691.7	601.0	3,121.5	(13.2)	4,401.0
Selling, general and administrative.....	73.8	414.8	1,399.6	--	1,888.2
Depreciation and amortization.....	59.8	47.6	358.3	--	465.7
Total expenses.....	825.3	1,063.4	4,879.4	(13.2)	6,754.9
Operating income (loss)....	205.8	(74.8)	477.3	--	608.3
Other income (expense):					
Interest expense, net...	(325.6)	(78.7)	(89.8)	--	(494.1)
Other items, net.....	(1.6)	267.1	(3.0)	--	262.5
Earnings (loss) from continuing operations before income taxes.....	(121.4)	113.6	384.5	--	376.7
(Provision) benefit for income taxes.....	14.8	(61.3)	(233.2)	--	(279.7)
Equity in earnings of affiliated companies, net of tax...	207.6	167.0	24.4	(380.4)	18.6
Minority interest.....	(3.0)	(.2)	18.1	--	14.9
Net earnings from continuing operations.....	98.0	219.1	193.8	(380.4)	130.5
Loss from discontinued operations, net of tax...	--	--	(20.5)	--	(20.5)
Net earnings before extraordinary loss.....	98.0	219.1	173.3	(380.4)	110.0
Extraordinary loss, net of tax	(8.4)	(12.0)	--	--	(20.4)
Net earnings.....	89.6	207.1	173.3	(380.4)	89.6
Cumulative convertible preferred stock dividend requirement.....	75.0	--	--	--	75.0
Net earnings attributable to common stock.....	\$ 14.6	\$207.1	\$173.3	\$ (380.4)	\$ 14.6
	=====	=====	=====	=====	=====

VIACOM INC. AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
 (Tabular dollars in millions, except per share amounts)

	1995				
	VIACOM	VIACOM INTERNATIONAL	NON- GUARANTOR AFFILIATES	ELIMINATION	THE COMPANY CONSOLIDATED
ASSETS					
Current Assets:					
Cash and cash equivalents..	\$ 176.2	\$ 223.3	\$ 64.6	\$ --	\$ 464.1
Receivables, net.....	259.4	267.7	1,366.8	(21.5)	1,872.4
Inventory.....	736.5	102.3	1,339.3	--	2,178.1
Other current assets...	44.6	103.3	544.1	(7.6)	684.4
Total current assets.	1,216.7	696.6	3,314.8	(29.1)	5,199.0
Property and equipment....	1,132.9	280.2	2,561.6	--	3,974.7
Less accumulated depreciation.....	141.5	55.9	559.4	--	756.8
Net property and equipment.....	991.4	224.3	2,002.2	--	3,217.9
Inventory	682.0	182.2	1,407.3	--	2,271.5
Intangibles, at amortized cost.....	7,118.3	557.5	8,477.4	--	16,153.2
Investments in consolidated subs.....	1,943.5	11,295.9	--	(13,239.4)	--
Other assets.....	237.3	314.6	1,982.8	(350.3)	2,184.4
	\$12,189.2	\$13,271.1	\$17,184.5	\$(13,618.8)	\$ 29,026.0
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities:					
Accounts payable.....	\$ 339.4	\$ 44.2	\$411.7	\$ (6.5)	\$ 788.8
Accrued interest.....	97.6	50.8	1.4	--	149.8
Merger consideration payable.....	167.4	--	--	--	167.4
Accrued compensation....	47.5	145.7	256.2	--	449.4
Participants share, residuals and royalties payable....	87.3	--	710.9	--	798.2
Current portion of long-term debt.....	25.2	1.5	18.4	--	45.1
Other current liabilities	298.7	330.8	1,098.9	(28.5)	1,699.9
Total current liabilities	1,063.1	573.0	2,497.5	(35.0)	4,098.6
Long-term debt.....	8,705.1	1,595.2	592.2	(180.4)	10,712.1
Other liabilities.....	(10,468.5)	1,152.1	11,799.7	(361.8)	2,121.5
Shareholders' equity:					
Preferred Stock.....	1,200.0	--	--	--	1,200.0
Common Stock.....	3.7	212.0	722.4	(934.4)	3.7
Additional paid-in capital.....	10,726.9	8,544.4	1,052.7	(9,597.1)	10,726.9
Retained earnings.....	976.8	1,171.1	535.3	(2,510.1)	173.1
Cumulative translation adjustment.....	(17.9)	23.3	(15.3)	--	(9.9)
Total shareholders' equity	12,889.5	9,950.8	2,295.1	(13,041.6)	12,093.8
	\$12,189.2	\$13,271.1	\$ 17,184.5	\$(13,618.8)	\$29,026.0

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VIACOM INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Tabular dollars in millions, except per share amounts)

	VIACOM	VIACOM INTERNATIONAL	NON- GUARANTOR AFFILIATES	ELIMINATION	THE COMPANY CONSOLIDATED
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 135.6	\$ 63.4	\$ 398.7	\$ --	\$ 597.7
Receivables, less allowances.....	279.0	236.8	1,138.0	(15.0)	1,638.8
Inventory.....	694.1	144.3	979.4	--	1,817.8
Other current assets...	59.8	49.6	394.1	--	503.5
Net assets of discontinued operations.....	--	--	697.4	--	697.4
Total current assets.	1,168.5	494.1	3,607.6	(15.0)	5,255.2
Property and equipment.....	667.0	170.8	2,261.8	--	3,099.6
Less accumulated depreciation.....	17.2	46.7	452.6	--	516.5
Net property and equipment.....	649.8	124.1	1,809.2	--	2,583.1
Inventory.....	419.1	282.4	1,243.0	--	1,944.5
Intangibles, at amortized cost.....	6,787.5	801.6	8,522.6	--	16,111.7
Investments in consolidated subs.....	3,577.0	176.2	--	(3,753.2)	--
Other assets.....	712.8	348.8	1,458.1	(140.5)	2,379.2
	\$ 13,314.7	\$ 2,227.2	\$ 16,640.5	\$ (3,908.7)	\$ 28,273.7
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities:					
Accounts payable.....	\$ 450.9	\$ 23.4	\$ 296.6	\$ --	\$ 770.9
Accrued interest.....	131.5	14.9	88.5	--	234.9
Merger consideration payable.....	261.7	--	--	--	261.7
Accrued compensation....	42.0	83.4	215.2	--	340.6
Participants share, residuals and royalties payable.....	11.4	104.8	513.8	--	630.0
Current portion of long-term debt.....	3.8	7.4	9.8	--	21.0
Other accrued expenses..	323.5	213.5	1,360.2	(25.1)	1,872.1
Total current liabilities.....	1,224.8	447.4	2,484.1	(25.1)	4,131.2
Long-term debt.....	8,583.0	560.1	1,496.7	(237.4)	10,402.4
Other liabilities.....	(8,299.6)	(192.0)	2,585.3	7,854.8	1,948.5
Shareholders' equity					
Preferred Stock.....	1,200.0	--	--	--	1,200.0
Common Stock.....	3.5	.1	--	(.1)	3.5
Additional paid-in capital	10,576.0	787.6	9,973.1	(10,757.2)	10,579.5
Retained earnings.....	31.7	627.6	95.0	(743.7)	10.6
Cumulative translation adjustment.....	(4.7)	(3.6)	6.3	--	(2.0)
Total shareholders' equity	11,806.5	1,411.7	10,074.4	(11,501.0)	11,791.6
	\$ 13,314.7	\$ 2,227.2	\$ 16,640.5	\$ (3,908.7)	\$ 28,273.7

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VIACOM INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Tabular dollars in millions, except per share amounts)

1995

NON-

THE

	VIACOM	VIACOM INTERNATIONAL	GUARANTOR AFFILIATES	ELIMINATION	COMPANY CONSOLIDATED
	-----	-----	-----	-----	-----
NET CASH FLOW FROM OPERATING ACTIVITIES	\$ 318.4	\$ (66.5)	\$ (196.3)	\$ --	\$ 55.6
INVESTING ACTIVITIES:					
Proceeds from dispositions.....	--	1,036.1	406.8	--	1,442.9
Acquisitions, net of cash acquired	(230.7)	--	(385.5)	--	(616.2)
Capital expenditures.....	(335.9)	(93.8)	(300.9)	--	(730.6)
Investments in and advances to affiliated companies.....	(45.0)	(72.4)	(20.7)	--	(138.1)
Proceeds from sale of short-term investments.....	--	281.3	--	--	281.3
Payments for purchase of short-term investments.....	--	(301.2)	--	--	(301.2)
Other, net.....	(20.5)	(3.1)	5.9	--	(17.7)
NET CASH FLOW FROM INVESTING ACTIVITIES.....	(632.1)	846.9	(294.4)	--	(79.6)
FINANCING ACTIVITIES:					
Short-term borrowings from (repayments to) banks, net.....	(1,560.2)	--	--	--	(1,560.2)
Increase (decrease) in intercompany payables	440.3	(616.2)	175.9	--	--
Proceeds from issuance of senior notes.....	1,538.6	--	--	--	1,538.6
Proceeds from exercise of stock options and warrants....	125.6	--	--	--	125.6
Payment of Preferred Stock dividends.....	(60.0)	--	--	--	(60.0)
Settlement of CVRs.....	(81.9)	--	--	--	(81.9)
Deferred financing fees.....	(23.4)	--	--	--	(23.4)
Other, net.....	(24.7)	(4.3)	(19.3)	--	(48.3)
NET CASH FLOW FROM FINANCING ACTIVITIES.....	354.3	(620.5)	156.6	--	(109.6)
Net increase (decrease) in cash and cash equivalents.....	40.6	159.9	(334.1)	--	(133.6)
Cash and cash equivalents at beginning of year.....	135.6	63.4	398.7	--	597.7
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 176.2	\$ 223.3	\$ 64.6	--	\$ 464.1

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VIACOM INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Tabular dollars in millions, except per share amounts)

	1994				
	VIACOM	VIACOM INTERNATIONAL	NON- GUARANTOR AFFILIATES	ELIMINATION	THE COMPANY CONSOLIDATED
	-----	-----	-----	-----	-----
NET CASH FLOW FROM OPERATING ACTIVITIES.....	\$ (25.5)	\$ 26.9	\$ 410.0	\$ (34.5)	\$ 376.9
INVESTING ACTIVITIES:					
Proceeds from dispositions....	--	317.6	--	--	317.6
Acquisitions, net of cash acquired.....	(6,609.1)	--	354.5	--	(6,254.6)
Capital expenditures.....	(112.2)	(39.5)	(213.2)	--	(364.9)
Investments in and advances to affiliated companies.....	--	(26.5)	(24.8)	--	(51.3)
Proceeds from sale of short-term investments.....	--	--	156.2	--	156.2
Payments for purchase of short-term investments.....	--	--	(102.2)	--	(102.2)
Other, net.....	(19.2)	(6.9)	(3.3)	(7.8)	(37.2)
NET CASH FLOW FROM INVESTING ACTIVITIES.....	(6,740.5)	244.7	167.2	(7.8)	(6,336.4)

	-----	-----	-----	-----	-----
FINANCING ACTIVITIES:					
Short-term borrowings (repayments) from banks, net.....	5,175.9	(1,541.1)	(74.8)	--	3,560.0
Increase (decrease) in intercompany payables	(1,202.1)	1,271.2	(111.4)	42.3	--
Proceeds from issuance of Class B Common Stock.....	1,250.0	--	--	--	1,250.0
Proceeds from exercise of stock options and warrants..	52.6	--	--	--	52.6
Payment of Preferred Stock dividends.....	(72.7)	--	--	--	(72.7)
Deferred financing fees.....	(86.8)	(.3)	--	--	(87.1)
Other, net.....	(23.7)	(.9)	(3.4)	--	(28.0)
NET CASH FLOW FROM FINANCING ACTIVITIES.....	5,093.2	(271.1)	(189.6)	42.3	4,674.8
Net increase (decrease) in cash and cash equivalents.....	(1,672.8)	.5	387.6	--	(1,284.7)
Cash and cash equivalents at beginning of year.....	1,808.4	62.9	11.1	--	1,882.4
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ 135.6	\$ 63.4	\$ 398.7	\$ --	\$ 597.7

Item 9. Disagreements on Accounting and Financial Disclosure - Not applicable.

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PART III

Item 10. Directors and Executive Officers.

The information contained in the Viacom Inc. Definitive Proxy Statement under the captions "Information Concerning Directors and Nominees" and "Compliance with Section 16(a) of the Securities Exchange Act of 1934" is incorporated herein by reference.

Item 11. Executive Compensation.

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

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

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

Item 13. Certain Relationships and Related Transactions.

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

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PART IV

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

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

(b) Reports on Form 8-K

Current Report on Form 8-K of Viacom Inc. with a report date of December 15, 1995, relating to the execution of an underwriting agreement between Viacom Inc. and Viacom International Inc. and Goldman, Sachs & Co., Bear, Stearns & Co. Inc., Lehman Brothers Inc. and Smith Barney Inc., dated December 12, 1995, pursuant to which, on December 15, 1995, Viacom Inc. issued and sold \$550 million aggregate principal amount of Viacom Inc.'s 6.75% Senior Notes due 2003 and 7.625% Senior Debentures due 2016, unconditionally guaranteed as to payment of principal and interest by Viacom International Inc.

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

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SIGNATURES

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

VIACOM INC.

By /s/ SUMNER M. REDSTONE

Sumner M. Redstone,
Chairman of the Board of
Directors, Chief Executive
Officer

By /s/ GEORGE S. SMITH, JR.

George S. Smith, Jr.,
Senior Vice President,
Chief Financial Officer

By /s/ SUSAN C. GORDON

Susan C. Gordon,
Vice President,
Controller, Chief
Accounting Officer

Date: April 1, 1996

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

Signature	Title	Date
* ----- George S. Abrams	Director	April 1, 1996
/s/ PHILIPPE P. DAUMAN ----- Philippe P. Dauman	Director	April 1, 1996
* -----	Director	April 1, 1996

Thomas E. Dooley

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* ----- George D. Johnson, Jr.	Director	April 1, 1996
* ----- Ken Miller	Director	April 1, 1996
* ----- Brent D. Redstone	Director	April 1, 1996
* ----- Shari Redstone	Director	April 1, 1996
/s/ SUMNER M. REDSTONE ----- Sumner M. Redstone	Director	April 1, 1996
* ----- Frederic V. Salerno	Director	April 1, 1996
* ----- William Schwartz	Director	April 1, 1996
* ----- Ivan Seidenberg	Director	April 1, 1996
*By /s/ PHILIPPE P. DAUMAN ----- Philippe P. Dauman Attorney-in-Fact for the Directors		April 1, 1996

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VIACOM INC. AND SUBSIDIARIES
INDEX TO EXHIBITS
ITEM 14(C)

EXHIBIT NO.	DESCRIPTION OF DOCUMENT	PAGE NO.
(2)	Plan of Acquisition	
(a)	Agreement and Plan of Merger dated as of January 7, 1994, as amended as of June 15, 1994, between Viacom Inc. and Blockbuster Entertainment Corporation (incorporated by reference to Exhibit 2.1 to the Registration Statement on Form S-4 filed by Viacom Inc.) (File No. 33-55271).	
(b)	Amended and Restated Agreement and Plan of Merger dated as of February 4, 1994 between Viacom Inc. and Paramount Communications Inc., as further amended as of May 26, 1994, among Viacom, Viacom Sub Inc. and Paramount Communications Inc. (incorporated by reference to Exhibit 2.1, included as Annex I, to the Registration Statement on Form S-4	

- filed by Viacom Inc.) (File No. 33-53977).
- (3) Articles of Incorporation and By-laws
 - (a) Restated Certificate of Incorporation of Viacom Inc. (incorporated by reference to Exhibit 3(a) to the Annual Report on Form 10-K of Viacom Inc. for the fiscal year ended December 31, 1992, as amended by Form 10-K/A Amendment No. 1 dated November 29, 1993 and as further amended by Form 10-K/A Amendment No. 2 dated December 9, 1993) (File No. 1-9553).
 - (b) Amendment to Restated Certificate of Incorporation of Viacom Inc. (incorporated by reference to Exhibit 3.2 to the Registration Statement on Form S-4 filed by Viacom Inc. (File No. 33-55271).
 - (c) Certificate of Merger merging Blockbuster Entertainment Corporation with and into Viacom Inc. (incorporated by reference to Exhibit 4.3 to the Registration Statement on Form S-3 filed by Viacom Inc.) (File No. 33-55785).
 - (d) Certificate of the Designations, Powers, Preferences and Relative, Participating or other Rights, and the Qualifications, Limitations or Restrictions thereof, of Series B Cumulative Convertible Preferred Stock (\$0.01 par value) of Viacom Inc. (incorporated by reference to Exhibit 4.1 to the Quarterly Report on Form 10-Q of Viacom Inc. for the quarter ended September 30, 1993) (File No. 1-9553).
 - (e) By-laws of Viacom Inc. (incorporated by reference to Exhibit 3.3 to the Registration Statement on Form S-4 filed by Viacom Inc.) (File No. 33-13812).
 - (4) Instruments defining the rights of security holders, including indentures
 - (a) Specimen certificate representing the Viacom Inc. Voting Common Stock (currently Class A Common Stock) (incorporated by reference to Exhibit 4.1 to the Registration Statement on Form S-4 filed by Viacom Inc.) (File No. 33-13812).

EXHIBIT
NO.

DESCRIPTION OF DOCUMENT

PAGE NO.

- (b) Specimen certificate representing Viacom Inc. Class B Non-Voting Common Stock (incorporated by reference to Exhibit 4(a) to the Quarterly Report on Form 10-Q of Viacom Inc. for the quarter ended June 30, 1990) (File No. 1-9553).
- (c) Specimen certificate representing Viacom Inc. Series B Cumulative Convertible Preferred Stock of Viacom Inc. (incorporated by reference to Exhibit 4(d) to the Annual Report on Form 10-K of Viacom Inc. for the fiscal year ended December 31, 1993, as amended by Form 10-K/A Amendment No. 1 dated May 2, 1994) (File No. 1-9553).
- (d) Form of Warrant Agreement between Viacom Inc. and Harris Trust and Savings Bank, as Warrant Agent with respect to the Warrants expiring July 1, 1997 of Viacom Inc. (including the Form of Warrant expiring July 1, 1997) (incorporated by reference to Exhibit 4.7 to the Registration Statement on Form S-4 filed by Viacom Inc.) (File No. 33-53977).
- (e) Form of Warrant Agreement between Viacom Inc. and Harris Trust and Savings Bank, as Warrant Agent with respect to the Warrants expiring July 1, 1999 of Viacom Inc. (including the Form of Warrant expiring July 1, 1999) (incorporated by reference to Exhibit 4.8 to the Registration Statement on Form S-4 filed by Viacom Inc.) (File No. 33-53977).
- (f) Credit Agreement dated as of July 1, 1994 among Viacom Inc.; the Bank parties thereto; The Bank of New York ("BNY"), Citibank N.A. ("Citibank"), Morgan Guaranty Trust Company of New York and Bank of America NT&SA, as Managing Agents; BNY, as Documentation Agent; Citibank, as Administrative Agent; JP Morgan Securities Inc., as Syndication Agent; and the Agents and Co-Agents named therein (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of Viacom Inc. dated July 22, 1994) (File No. 1-9553) as amended by Amendment No. 1 dated as of August 5, 1994, Amendment No. 2 dated as of September 29, 1994, Amendment No. 3 dated as of May 15,

1995 and Amendments No. 4 and 5 dated as of November 17, 1995 (filed herewith).

- (g) Credit Agreement dated as of July 1, 1994 among Viacom Cablevision of Dayton Inc.; WNYT Inc., WMZQ Inc., WVIT Inc. and Viacom International Inc.; the Bank parties thereto; The Bank of New York ("BNY"), Citibank N.A. ("Citibank"), Morgan Guaranty Trust Company of New York and Bank of America NT&SA, as Managing Agents; BNY, as Documentation Agent; Citibank, as Administrative Agent; JP Morgan Securities Inc., as Syndication Agent; and the Agents and Co-Agents named therein (incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K of Viacom Inc. dated July 22, 1994) (File No. 1-9553) as amended by Amendment No. 1 dated as of August 5, 1994, Amendment No. 2 dated as of May 15, 1995 and Amendments No. 3 and 4 dated as of November 17, 1995 (filed herewith).

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EXHIBIT
NO.

DESCRIPTION OF DOCUMENT

PAGE NO.

- (h) Credit Agreement dated as of September 29, 1994, among Viacom Inc., the Bank parties thereto, The Bank of New York, as a Managing Agent and as the Documentation Agent, Citibank, N.A, as a Managing Agent and as the Administrative Agent, Morgan Guaranty Trust Company of New York, as a Managing Agent, JP Morgan Securities Inc., as the Syndication Agent, Bank of America NT&SA, as a Managing Agent, and the Banks named as Agents therein (incorporated by reference to Exhibit 99.2 to the Current Report on Form 8-K of Viacom Inc. dated September 29, 1994) (File No. 1-9553) as amended by Amendment No. 1 dated as of May 15, 1995 and Amendments No. 2 and 3 dated as of November 17, 1995 (filed herewith).
- (i) The instruments defining the rights of holders of the long-term debt securities of Viacom Inc. and its subsidiaries are omitted pursuant to section (b)(4)(iii)(A) of Item 601 of Regulation S-K. Viacom Inc. hereby agrees to furnish copies of these instruments to the Securities and Exchange Commission upon request.
- (10) Material Contracts
- (a) Viacom Inc. 1994 Long-Term Management Incentive Plan (as amended and restated through April 27, 1995) (incorporated by reference to Exhibit A-1 to Viacom Inc.'s Definitive Proxy Statement dated April 28, 1995).*
- (b) Viacom Inc. 1989 Long-Term Management Incentive Plan (as amended and restated through April 23, 1990 and as further amended and restated through April 27, 1995) (incorporated by reference to Exhibit A-2 to Viacom Inc.'s Definitive Proxy Statement dated April 28, 1995).*
- (c) Viacom Inc. Senior Executive Short-Term Incentive Plan (as amended and restated through March 27, 1996) (filed herewith).*
- (d) Viacom Inc. Long-Term Incentive Plan (Divisional) (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q of Viacom Inc. for the quarter ended June 30, 1993) (File No. 1-9553).*
- (e) Viacom International Inc. Deferred Compensation Plan for Non-Employee Directors (as amended and restated through December 17, 1992) (incorporated by reference to Exhibit 10(e) to the Annual Report on Form 10-K of Viacom Inc. for the fiscal year ended December 31, 1992, as amended by Form 10-K/A Amendment No. 1 dated November 29, 1993 and as further amended by Form 10-K/A Amendment No. 2 dated December 9, 1993) (File No. 1-9553).*
- (f) Viacom Inc. and Viacom International Inc. Retirement Income Plan for Non-Employee Directors (incorporated by reference to Exhibit 10(f) to the Annual Report on Form 10-K of Viacom Inc. for the fiscal year ended December 31, 1989) (File No. 1-9553).*
- (g) Viacom Inc. Stock Option Plan for Outside Directors (incorporated by reference to Exhibit 10.2 to the Quarterly Report on Form 10-Q of Viacom Inc. for the quarter ended June 30, 1993) (File No. 1-9553).*
- (h) Viacom Inc. 1994 Stock Option Plan for Outside Directors (incorporated

by reference to Exhibit B to Viacom Inc.'s Definitive Proxy Statement dated April 28, 1995).*

- (i) Excess Benefits Investment Plan for Certain Key Employees of Viacom International Inc. (effective April 1, 1984 and amended as of January 1, 1990) (incorporated by reference to Exhibit 10(h) to the Annual Report on Form 10-K of Viacom Inc. for the fiscal year ended December 31, 1990) (File No. 1-9553).*
- (j) Excess Pension Plan for Certain Key Employees of Viacom International Inc. (incorporated by reference to Exhibit 10(i) to the Annual Report on Form 10-K of Viacom Inc. for the fiscal year ended December 31, 1990) (File No. 1-9553).*

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

EXHIBIT
NO.

DESCRIPTION OF DOCUMENT

PAGE NO.

- (k) Employment Agreement, dated as of August 1, 1994, between Viacom Inc. and Frank J. Biondi, Jr. (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of Viacom Inc. for the quarter ended September 30, 1994) (File No. 1-9533). Agreement under the Viacom Inc. 1994 Long-Term Management Incentive Plan, dated as of August 18, 1994, between Viacom Inc. and Frank J. Biondi, Jr. (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of Viacom Inc. for the quarter ended September 30, 1994) (File No. 1-9553).*
- (l) Agreement, dated as of January 1, 1996, between Viacom Inc. and Philippe P. Dauman (filed herewith).*
- (m) Agreement, dated as of January 1, 1996, between Viacom Inc. and Thomas E. Dooley (filed herewith).*
- (n) Agreement, dated as of July 1, 1994, between Viacom Inc. and Edward D. Horowitz (incorporated by reference to Exhibit 10(o) to the Annual Report on Form 10-K of Viacom Inc. for the fiscal year ended December 31, 1994) (File No. 1-9553).*
- (o) Agreement, dated as of August 1, 1990, between Viacom International Inc. and Mark M. Weinstein (incorporated by reference to Exhibit 10(p) to the Annual Report on Form 10-K of Viacom Inc. for the fiscal year ended December 31, 1990) (File No. 1-9553), as amended by an Agreement dated as of February 1, 1993 (incorporated by reference to Exhibit 10(n) to the Annual Report on Form 10-K of Viacom Inc. for the fiscal year ended December 31, 1992, as amended by Form 10-K/A Amendment No. 1 dated November 29, 1993 and as further amended by Form 10-K/A Amendment No. 2 dated December 9, 1993) (File No. 1-9553), and as further amended by an Agreement dated February 7, 1995 (incorporated by reference to Exhibit 10(m) to the Annual Report on Form 10-K of Viacom Inc. for the fiscal year ended December 31, 1994) (File No. 1-9553).*
- (p) Service Agreement, dated as of March 1, 1994, between George S. Abrams and Viacom Inc. (incorporated by reference to Exhibit 10(q) to the Annual Report on Form 10-K of Viacom Inc. for the fiscal year ended December 31, 1994) (File No. 1-9553).*
- (q) Blockbuster Entertainment Corporation ("BEC") stock option plans* assumed by Viacom Inc. after the Blockbuster Merger consisting of the following:
 - (i) BEC's 1989 Stock Option Plan (incorporated by reference to BEC's Proxy Statement dated March 31, 1989).
 - (ii) Amendments to BEC's 1989 Stock Option Plan (incorporated by reference to BEC's Proxy Statement dated April 3, 1991).
 - (iii) BEC's 1990 Stock Option Plan (incorporated by reference to BEC's Proxy Statement dated March 29, 1990).
 - (iv) Amendments to BEC's 1990 Stock Option Plan (incorporated by

reference to BEC's Proxy Statement dated April 15, 1991).
(v) BEC's 1991 Employee Director Stock Option Plan (incorporated by reference to BEC's Proxy Statement dated April 15, 1991).
(vi) BEC's 1991 Non-Employee Director Stock Option Plan (incorporated by reference to BEC's Proxy Statement dated April 15, 1991).
(vii) BEC's 1994 Stock Option Plan (incorporated by reference to Exhibit 10.35 to the Annual Report on Form 10-K of BEC for the fiscal year ended December 31, 1993) (File No. 0-12700).

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

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EXHIBIT
NO.

DESCRIPTION OF DOCUMENT

PAGE NO.

- (r) Parents Agreement dated as of July 24, 1995 among Viacom Inc., Tele-Communications, Inc. and TCI Communications, Inc. (incorporated by reference to Exhibit 10.1 to the Registration Statement on Form S-4 filed by Viacom International Inc.) (File No. 33-64467).
- (s) Implementation Agreement dated as of July 24, 1995 between Viacom International Inc. and Viacom International Services Inc. (incorporated by reference to Exhibit 10.2 to the Registration Statement on Form S-4 filed by Viacom International Inc.) (File No. 33-64467).
- (t) Subscription Agreement dated as of July 24, 1995 among Viacom International Inc., Tele-Communications, Inc. and TCI Communications, Inc. (incorporated by reference to Exhibit 10.3 to the Registration Statement on Form S-4 filed by Viacom International Inc.) (File No. 33-64467).
- (11) Statements re Computation of Net Earnings Per Share
- (21) Subsidiaries of Viacom Inc.
- (23) Consents of Experts and Counsel
 - (a) Consent of Price Waterhouse
- (24) Powers of Attorney
- (27) Financial Data Schedule

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VIACOM INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

VIACOM INC. AND SUBSIDIARIES

INDEX TO FINANCIAL STATEMENTS AND SCHEDULE

ITEM 14A

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

Reference
(Page/s)

1. Report of Independent Accountants.....	II-15
2. Management's Statement of Responsibility for Financial Reporting	II-16
3. Consolidated Statements of Operations for the years ended December 31, 1995, 1994 and 1993.....	II-17
4. Consolidated Balance Sheets as of December 31, 1995 and 1994	II-18-II-19
5. Consolidated Statements of Cash Flows for the years ended December 31, 1995, 1994 and 1993.....	II-20
6. Consolidated Statements of Shareholders' Equity for the years ended December 31, 1995, 1994 and 1993.....	II-21
7. Notes to Consolidated Financial Statements.....	II-22-II-55
Financial Statement Schedule:	
II. Valuation and qualifying accounts.....	F-2

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

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VIACOM INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

VIACOM INC. AND SUBSIDIARIES
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

(MILLIONS OF DOLLARS)

COL. A	COL. B	COL. C		COL. D	COL. E
----- DESCRIPTION -----	BALANCE AT BEGINNING OF PERIOD -----	CHARGED TO COSTS AND EXPENSES -----	CHARGED TO OTHER ACCOUNTS -----	----- DEDUCTIONS (C) -----	BALANCE AT END OF PERIOD -----
ALLOWANCE FOR DOUBTFUL ACCOUNTS:					
Year ended December 31, 1995.....	\$75.8	\$104.3	\$37.4 (A)	\$91.5	\$126.0

Year ended December 31, 1994.....	\$33.9	\$61.6	\$46.1 (A) (B)	\$65.8	\$75.8
Year ended December 31, 1993.....	\$25.8	\$16.7	\$ 3.5 (B)	\$12.1	\$33.9
VALUATION ALLOWANCE ON DEFERRED TAX ASSETS:					
Year ended December 31, 1995	\$75.7	--	\$ 6.1 (A)	--	\$81.8
Year ended December 31, 1994	--	--	\$75.7 (A)	--	\$75.7
RESERVES FOR INVENTORY OBSCOLESCENCE:					
Year ended December 31, 1995	\$125.3	\$35.4	\$13.7	\$44.8	\$129.6
Year ended December 31, 1994	--	\$32.3	\$119.9 (A)	\$26.9	\$125.3

Notes:

- - - - -

- (A) Includes amounts charged to goodwill as part of the determination of the fair value of net assets acquired.
- (B) Represents balance sheet reclassifications related to certain entertainment receivables.
- (C) Includes amounts written off, net of recoveries.

AMENDMENT NO. 1

AMENDMENT NO. 1, dated as of August 5, 1994 (this "Amendment"), to:

(i) the CREDIT AGREEMENT, dated as of July 1, 1994 (the "Parent Facility"), among VIACOM INC., a Delaware corporation ("Viacom"), each of the several Banks identified on the signature pages thereof, THE BANK OF NEW YORK, as a Managing Agent and as the Documentation Agent, CITIBANK, N.A., as a Managing Agent and as the Administrative Agent, MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as a Managing Agent, JP MORGAN SECURITIES INC., as the Syndication Agent, BANK OF AMERICA NT&SA, as a Managing Agent, the Banks identified as Agents on the signature pages thereof, as Agents, and the Banks identified as Co-Agents on the signature pages thereof, as Co-Agents; and

(ii) the CREDIT AGREEMENT, dated as of July 1, 1994 (the "Subsidiary Facility"), among VIACOM CABLEVISION OF DAYTON INC., WNYT INC., WMZQ INC., WVIT INC. and VIACOM INTERNATIONAL INC., each a Delaware corporation (collectively, "Subsidiary Borrowers"), each of the several Banks identified on the signature pages thereof, THE BANK OF NEW YORK, as a Managing Agent and as the Documentation Agent, CITIBANK, N.A., as a Managing Agent and as the Administrative Agent, MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as a Managing Agent, JP MORGAN SECURITIES INC., as the Syndication Agent, BANK OF AMERICA NT&SA, as a Managing Agent, the Banks identified as Agents on the signature pages thereof, as Agents, and the Banks identified as Co-Agents on the signature pages thereof, as Co-Agents.

W I T N E S S E T H:

WHEREAS, the parties who have heretofore entered into the Parent Facility and the Subsidiary Facility now desire to effect a general syndication of the Parent Facility and Subsidiary Facility and the related assignment of the outstanding Loans thereunder by amending certain provisions of such agreements; and

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

Amendments

Section 1.1. All references to "Schedule I" in each of the Parent Facility and Subsidiary Facility are hereby amended to refer to Schedule I attached to this Amendment.

Section 1.2. All references to "Schedule II" in each of the Parent Facility and the Subsidiary Facility are hereby amended to refer to the appropriate Schedule II relating to such agreement and attached to this Amendment.

Section 1.3 All references to an "Agent" or a "Co-Agent" shall have the meanings set forth in each of the Parent Facility and Subsidiary Facility.

ARTICLE II

Funding

Section 2.1. Subject to the prior effectiveness of this Amendment, and in order to give effect to the reallocation of the commitments and the outstanding Loans provided for by this Section 2.1, before 11:00 A.M. (New York City time) on August 15, 1994 (the "Effective Date"):

(i) Each lender that is to become a Bank party to either of the Parent Facility or the Subsidiary Facility (each such lender, a "New Lender") shall make available to the Administrative Agent, for the

respective accounts of the Banks that are parties to either of the Parent Facility or the Subsidiary Facility (the "Existing Lenders"), an amount equal to the aggregate of (x) such New Lender's Ratable Portion (as defined in each of the Parent Facility and the Subsidiary Facility, after giving effect to the provisions of Article I of this Amendment (the "Adjusted Ratable Portion")) of the outstanding Loans under (and as defined in) each of the Parent Facility and the Subsidiary Facility, and (y) such New Lender's Adjusted Ratable Portion of the Breakage Amount (as defined below), if any, payable by the New Lenders with respect to each Eurodollar Rate Loan outstanding on the Effective Date (other than any Eurodollar Rate Loans with respect to which the Effective Date is the first day of a new Interest Period); and

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(ii) Promptly thereafter (but in any event on the same day), the Administrative Agent shall cause to be distributed in like funds to each Existing Lender, for the account of its Applicable Lending Office, such Existing Lender's Ratable Portion (as defined in each of the Parent Facility and the Subsidiary Facility, but without giving effect to the provisions of Article I of this Agreement (the "Unadjusted Ratable Portion")) of (x) the amount paid by the New Lenders pursuant to clause (i) of this Section 2.1 in respect of the reallocation of loans and (y) the Breakage Amount, if any, paid by the New Lenders.

Section 2.2. Subject to the prior effectiveness of this Amendment, before 11:00 A.M. (New York City time) on the Effective Date:

(i) Each Existing Lender shall make available to the Administrative Agent, for the respective accounts of the New Lenders, an amount equal to the aggregate of (x) such Existing Lender's Unadjusted Ratable Portion of the Breakage Amount (as defined below), if any, payable by the Existing Lenders, and (y) the Participation Fee (as defined below) payable by such Existing Lender; and

(ii) Promptly thereafter (but in any event on the same day), the Administrative Agent shall cause to be distributed in like funds to each New Lender, for the account of its Applicable Lending Office, such New Lender's Adjusted Ratable Portion of the (x) Breakage Amount, if any, paid by the Existing Lenders and (y) the aggregate of the Participation Fees paid by the Existing Lenders.

Section 2.3. The "Breakage Amount" with respect to each Eurodollar Rate Loan shall be the amount calculated in accordance with the following formula:

Principal Amount x [(New LIBOR - Old LIBOR)/360] x Number of Days Remaining

where:

Principal Amount = The aggregate of the Adjusted Ratable Portions of the New Lenders of the applicable Eurodollar Rate Loan

New LIBOR = Eurodollar Rate determined in respect of such Loan for the Interest Period commencing on the Effective Date

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Old LIBOR = Eurodollar Rate in effect with respect to such Loan immediately prior to the Effective Date

Number of Days Remaining = Number of days remaining in the Interest Period applicable to such Loan

If such amount is a negative number, the absolute value of such amount shall be payable only by the New Lenders for the account of the Existing Lenders. If such amount is a positive number, such amount shall be payable only by the Existing Lenders to the New Lenders.

Section 2.3. The "Participation Fee" payable by each Existing Lender shall be the amount set forth with respect to such Existing Lender in the following table:

Category of Existing Lender -----	Amount of Participation Fee -----
Managing Agent	\$67,286.50
Agent	\$64,851.57
Co-Agent	\$46,322.55

Section 2.4 Upon receipt of the monies by the Administrative Agent, as provided in Sections 2.1(i) and 2.2(i), and payment of the monies by the Administrative Agent, as provided in Section 2.1(ii) and 2.2(ii), the Administrative Agent shall make appropriate entries in its books pursuant to Section 13.7(g) of the Parent Facility and Section 10.7(g) of the Subsidiary Facility to reflect the reallocation of Commitments and Loans effected by this Amendment.

Section 2.4. The provisions of this Article are solely for the benefit of the Existing Lenders and the New Lenders and may not be enforced by any other party.

ARTICLE III

Effectiveness

Section 3.1. This Amendment will be effective as of the Effective Date and following the execution thereof by each of Viacom, each Subsidiary Borrower, each Guarantor Subsidiary and each Existing Lender and New Lender identified on the signature pages hereof.

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ARTICLE IV

Representations and Warranties

Section 4.1. Each of the Borrower, the Subsidiary Borrowers and the Subsidiary Guarantors hereby represents and warrants that on the Effective Date, both before and after giving effect to this Amendment, no Default or Event of Default shall exist or be continuing under the Parent Facility or the Subsidiary Facility.

ARTICLE V

Miscellaneous

Section 5.1. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in each of the Parent Facility and the Subsidiary Facility.

Section 5.2. Except as amended hereby, all of the terms of each of the Parent Facility and the Subsidiary Facility shall remain and continue in full force and effect and are hereby confirmed in all respects.

Section 5.3. This Amendment shall be a Loan Document for the purposes of the Parent Facility and Subsidiary Facility.

Section 5.4. This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the

signatures thereto were upon the same instrument. Delivery of an executed counterpart of a signature page of this Amendment by telecopier shall be effective as delivery of a manually executed counterpart of this Amendment.

Section 5.5. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

VIACOM INC., as Borrower

By: /s/ Vaughn A. Clarke

Name: Vaughn A. Clarke
Title: Senior Vice
President, Treasurer

VIACOM INTERNATIONAL INC., as a
Subsidiary Borrower and as a
Subsidiary Guarantor

By: /s/ Vaughn A. Clarke

Name: Vaughn A. Clarke
Title: Senior Vice
President, Treasurer

On behalf of the following Subsidiary
Borrowers:

VIACOM CABLEVISION OF DAYTON INC.,

WNYT INC.,

WMZQ INC. and

WVIT INC.

PARAMOUNT COMMUNICATIONS INC., as a
Subsidiary Guarantor

By: /s/ Vaughn A. Clarke

Name: Vaughn A. Clarke
Title: Senior Vice
President, Treasurer

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EXISTING LENDERS

Managing Agents

THE BANK OF NEW YORK, as Managing
Agent, the Documentation Agent and
a Bank

By: /s/ Vincent L. Pacilio

Name: Vincent L. Pacilio
Title: Vice President

CITIBANK, N.A., as Managing Agent,
the Administrative Agent and a Bank

By: /s/ David D. Clark

Name: David D. Clark
Title: Vice President

MORGAN GUARANTY TRUST COMPANY OF
NEW YORK, as Managing Agent and a
Bank

By: /s/ Stephen J. Kenneally

Name: Stephen J. Kenneally
Title: Vice President

BANK OF AMERICA NT&SA, as Managing
Agent and a Bank

By: /s/ Nancy L. Sun

Name: Nancy L. Sun
Title: Vice President

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Agents

BANK OF MONTREAL, as Agent and a
Bank

By: /s/ Yvonne Bos

Name: Yvonne Bos
Title: Managing Director

THE BANK OF NOVA SCOTIA, as Agent
and a Bank

By: /s/ Vince Fitzgerald

Name: Vince Fitzgerald
Title: Vice President

THE BANK OF TOKYO TRUST COMPANY, as
Agent and a Bank

By: /s/ Neal Hoffson

Name: Neal Hoffson
Title: Vice President

BARCLAYS BANK PLC, as Agent and a
Bank

By: /s/ James L. Hatter

Name: James L. Hatter
Title: Director

CANADIAN IMPERIAL BANK OF COMMERCE,
as Agent and a Bank

By: /s/ John H. Tyler

Name: John H. Tyler
Title: Vice President

8

THE CHASE MANHATTAN BANK (NATIONAL
ASSOCIATION), as Agent and a Bank

By: /s/ Bruce Langenkamp

Name: Bruce Langenkamp
Title: Vice President

CREDIT LYONNAIS CAYMAN ISLAND
BRANCH, as Agent and a Bank

By: /s/ M. Bernadette Collins

Name: M. Bernadette Collins
Title: Vice President

THE FIRST NATIONAL BANK OF BOSTON,
as Agent and a Bank

By: /s/ Mary M. Barcus

Name: Mary M. Barcus
Title: Vice President

THE FUJI BANK, LIMITED, as Agent
and a Bank

By: /s/ Katsunori Nozawa

Name: Katsunori Nozawa
Title: Vice President &
Manager

THE INDUSTRIAL BANK OF JAPAN, LTD.,
as Agent and a Bank

By: /s/ Jeffrey Cole

Name: Jeffrey Cole
Title: Vice President

9

LTCB TRUST COMPANY, as Agent and a
Bank

By: /s/ Tetsuya Fukunaga

Name: Tetsuya Fukunaga
Title: Vice President

MELLON BANK, N.A., as Agent and a
Bank

By: /s/ Sean C. Gannon

Name: Sean C. Gannon
Title: Assistant Vice
President

NATIONSBANK OF TEXAS N.A., as Agent
and a Bank

By: /s/ Chad E. Coben

Name: Chad E. Coben
Title: Assistant Vice
President

SOCIETE GENERALE, as Agent and a
Bank

By: /s/ Pascale Hainline

Name: Pascale Hainline
Title: Vice President

THE TORONTO-DOMINION BANK, as Agent
and a Bank

By: /s/ David G. Parker

Name: David G. Parker
Title: Mgr. Cr. Admin.

10

UNION BANK, as Agent and a Bank

By: /s/ Bill D. Gooch

Name: Bill D. Gooch
Title: Assistant Vice
President

Co-Agents

CREDIT SUISSE, as Co-Agent and a
Bank

By: /s/ Michael C. Mast

Name: Michael C. Mast
Title: Member of Senior
Management

By: /s/ Scott E. Zoellner

Name: Scott E. Zoellner
Title: Associate

THE DAI-ICHI KANGYO BANK LTD., NEW
YORK BRANCH, as Co-Agent and a Bank

By: /s/ Yosada Onoda

Name: Yosada Onoda
Title: Senior Vice
President

THE MITSUBISHI BANK, LIMITED, as
Co-Agent and a Bank

By: /s/ Paula Mueller

Name: Paula Mueller
Title: Vice President

11

THE MITSUBISHI TRUST & BANKING
CORPORATION, as Co-Agent and a Bank

By: /s/ Patricia Loret de Mola

Name: Patricia Loret de Mola
Title: Senior Vice
President

ROYAL BANK OF CANADA, as Co-Agent
and a Bank

By: /s/ E. Salazar

Name: E. Salazar
Title: Senior Manager

THE SANWA BANK, LTD., as Co-Agent and
a Bank

By: /s/ Masaaki Ariyoshi

Name: Masaaki Ariyoshi
Title: Vice President

THE SUMITOMO BANK, LIMITED, NEW YORK
BRANCH, as Co-Agent and a Bank

By: /s/ Shuntaro Higashi

Name: Shuntaro Higashi
Title: Joint General Manager

12

UNION BANK OF SWITZERLAND, as
Co-Agent and a Bank

By: /s/ James P. Kelleher

Name: James P. Kelleher
Title: Assistant Treasurer

By: /s/ Peter B. Yearly

Name: Peter B. Yearly
Title: Vice President

Syndication Agent

JP MORGAN SECURITIES INC., as the
Syndication Agent

By: /s/ Barbara J. Asch

Name: Barbara J. Asch
Title: Vice President

NEW LENDERS

Lead Managers

CHEMICAL BANK, as Lead Manager and a
Bank

By: /s/ John C. Coffin

Name: John C. Coffin
Title: Vice President

13

DEUTSCHE BANK AG, through its New York and/or Cayman Islands Branch, as Lead Manager and a Bank

By: /s/ John R. Lilly

Name: John R. Lilly
Title: Vice President

By: /s/ Alain M. Bolea

Name: Alain M. Bolea
Title: Director

Participants

THE SAKURA BANK, LIMITED, as Participant and a Bank

By: /s/ Yasuhiro Terada

Name: Yasuhiro Terada
Title: Senior Vice President
& Assistant General
Manager

COMPAGNIE FINANCIERE DE CIC ET DE L'UNION EUROPEENNE, NEW YORK BRANCH, as Participant and a Bank

By: /s/ Marcus Edward

Name: Marcus Edward
Title: Vice President

By: /s/ Sean Mounier

Name: Sean Mounier
Title: Vice President

14

PNC BANK N.A., as Participant and a Bank

By: /s/ Karen M. Wolters

Name: Karen M. Wolters
Title: Vice President

FIRST INTERSTATE BANK OF WASHINGTON,
N.A., as Participant and a Bank

By: /s/ Susan Hendrixson

Name: Susan Hendrixson
Title: Vice President

GULF INTERNATIONAL BANK, as
Participant and a Bank

By: /s/ Abdel-Fattah Tahoun

Name: Abdel-Fattah Tahoun
Title: Senior Vice President

By: /s/ Haytham F. Khalil

Name: Haytham F. Khalil
Title: Assistant Vice
President

THE TOKAI BANK, LIMITED, NEW YORK
BRANCH, as Participant and a Bank

By: /s/ Masaharu Muto

Name: Masaharu Muto
Title: Deputy General Manager

15

THE YASUDA TRUST AND BANKING CO.,
LTD., NEW YORK BRANCH, as Participant
and a Bank

By: /s/ Neil T. Chau

Name: Neil T. Chau
Title: First Vice President

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Schedule I

List of Lending Offices

Bank
The Bank of New York

Domestic Lending Office:

The Bank of New York
One Wall Street

16th Floor
New York, New York 10286

Eurodollar Lending Office:

Same

Citibank, N.A.

Domestic Lending Office:

Citibank, N.A.
399 Park Avenue
New York, New York 10043

Eurodollar Lending Office:

Same

Morgan Guaranty Trust Company
of New York

Domestic Lending Office:

Morgan Guaranty Trust Company of
New York
60 Wall Street
New York, New York 10260-0060
Attention Loan Department
Telex #177615 MGT VT

Eurodollar Lending Office:

Morgan Guaranty Trust
Company of New York
Nassau, Bahamas Office
c/o J.P. Morgan Services
Loan Operations - 3rd Floor
500 Stanton Christiana Road
Newark, Delaware 19713

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Bank
Bank of America NT&SA

Domestic Lending Office:

Bank of America NT&SA
1850 Gateway Boulevard
4th Floor
Concord, California 94520

Eurodollar Lending Office:

Same

Bank of Montreal

Domestic Lending Office:

Bank of Montreal, Chicago Branch
115 South LaSalle Street
11th Floor
Chicago, IL 60603

Eurodollar Lending Office:

Same

The Bank of Nova Scotia

Domestic Lending Office:

The Bank of Nova Scotia
1 Liberty Plaza
26th Floor

New York, NY 10006

Eurodollar Lending Office:

Same

The Bank of Tokyo Trust Company

Domestic Lending Office:

The Bank of Tokyo Trust Company
1251 Avenue of the Americas
12th Floor
New York, New York 10116

Eurodollar Lending Office:

Same

I-2

Bank
Barclays Bank PLC

Domestic Lending Office:

Barclays Bank
222 Broadway
12th Floor
New York, NY 10038

Eurodollar Lending Office:

Same

Canadian Imperial Bank
of Commerce

Domestic Lending Office:

Canadian Imperial Bank of Commerce
425 Lexington Avenue
Syndication Department
7th Floor
New York, New York 10017

Eurodollar Lending Office:

Same

The Chase Manhattan Bank
(National Association)

Domestic Lending Office:

The Chase Manhattan Bank
(National Association)
One Chase Manhattan Plaza
New York, New York 10081

Eurodollar Lending Office:

Same

Credit Lyonnais Cayman Island
Branch

Domestic Lending Office:

Credit Lyonnais
1301 Avenue of the Americas
New York, New York 10019

Eurodollar Lending Office:

Same

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Bank
The First National Bank of Boston

Domestic Lending Office:

The First National Bank of Boston
100 Federal Street
Mailstop 01-08-08
Boston, MA 02110

Eurodollar Lending Office:

Same

The Fuji Bank, Limited

Domestic Lending Office:

The Fuji Bank, Limited
Two World Trade Center
79th Floor
New York, New York 10048

Eurodollar Lending Office:

Same

The Industrial Bank of
Japan, Ltd.

Domestic Lending Office:

The Industrial Bank of Japan, Ltd.
245 Park Avenue
New York, New York 10167

Eurodollar Lending Office:

Same

LTCB Trust Company

Domestic Lending Office:

LTCB Trust Company
165 Broadway
49th Floor
New York, NY 10006

Eurodollar Lending Office:

Same

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Bank
Mellon Bank, N.A.

Domestic Lending Office:

Mellon Bank, N.A.
3 Mellon Bank Center
Room 2304
Pittsburgh, PA 15259

Eurodollar Lending Office:

Same

NationsBank of Texas N.A.

Domestic Lending Office:

NationsBank
901 Miami Street
67th Floor
Dallas, TX 75202

Eurodollar Lending Office:

Same

Societe Generale

Domestic Lending Office:

Societe Generale
50 Rockefeller Plaza
5th Avenue
14th Floor
New York, NY 10020

Eurodollar Lending Office:

Same

The Toronto-Dominion Bank

Domestic Lending Office:

The Toronto-Dominion Bank
909 Fannin Street
Houston, TX 77010

Eurodollar Lending Office:

Same

I-5

Bank
Union Bank

Domestic Lending Office:

Union Bank of California
445 South Figuera Street
15th Floor
Los Angeles, CA 90071

Eurodollar Lending Office:

Same

Credit Suisse

Domestic Lending Office:

Credit Suisse
12 East 49th Street
New York, New York 10017

Eurodollar Lending Office:

Same

The Dai-Ichi Kangyo Bank Ltd., New York
Branch

Domestic Lending Office:

The Dai-Ichi Kangyo Bank
One World Trade Center
Suite 4911
New York, NY 10048

Eurodollar Lending Office:

Same

The Mitsubishi Bank, Limited

Domestic Lending Office:

The Mitsubishi Bank, Ltd.
New York Branch
Two World Financial Center

225 Liberty Street
New York, New York 10281

Eurodollar Lending Office:

Same

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Bank

The Mitsubishi Trust & Banking Corporation Domestic Lending Office:

The Mitsubishi Trust & Banking Corp.
520 Madison Avenue
26th Floor
New York, NY 10022

Eurodollar Lending Office:

Same

Royal Bank of Canada

Domestic Lending Office:

Royal Bank of Canada
New York Branch
c/o Royal Bank of Canada
New York Operations Center
Pierrepont Plaza
300 Cadman Plaza West
Brooklyn, New York 11201-2701

Eurodollar Lending Office:

Same

The Sanwa Bank, Ltd.

Domestic Lending Office:

The Sanwa Bank, Ltd.
Park Avenue Plaza
55 East 52nd Street
24th Floor
New York, New York 10055

Eurodollar Lending Office:

Same

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Bank

The Sumitomo Bank, Limited, New York Branch Domestic Lending Office:

The Sumitomo Bank, Limited, New York
Branch
One World Trade Center
Suite 9651
New York, NY 10048

Eurodollar Lending Office:

Same

Union Bank of Switzerland

Domestic Lending Office:

Union Bank of Switzerland
299 Park Avenue
33rd Floor
New York, NY 10171

Eurodollar Lending Office:

Same

Chemical Bank

Domestic Lending Office:

Chemical Bank
270 Park Avenue
10th Floor
New York, New York 10172

Eurodollar Lending Office:

Same

Deutsche Bank AG

Domestic Lending Office:

Deutsche Bank
31 West 52nd Street
24th Floor
New York, New York 10019

Eurodollar Lending Office:

Same

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Bank
The Sakura Bank, Limited

Domestic Lending Office:

The Sakura Bank, Limited,
New York Branch
277 Park Avenue
45th Floor
New York, New York 10172

Eurodollar Lending Office:

Same

Compagnie Financiere de CIC
et de l'Union Europeenne,
New York Branch

Domestic Lending Office:

Compagnie Financiere de CIC
et de l'Union Europeenne,
New York Branch
520 Madison Avenue
37th Floor
New York, New York 10022

Eurodollar Lending Office:

Same

PNC Bank N.A.

Domestic Lending Office:

PNC Bank N.A.
Broad & Chestnut Streets
P. O. Box 7648
Philadelphia, Pennsylvania 19101

Eurodollar Lending Office:

Same

First Interstate Bank of Washington, N.A. Domestic Lending Office:

First Interstate Bank of Washington,
N.A.
999 Third Avenue
Mail Stop 984
Seattle, Washington 98104

Eurodollar Lending Office:

Same

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Bank
Gulf International

Domestic Lending Office:

Gulf International Bank
380 Madison Avenue
New York, New York 10017

Eurodollar Lending Office:

Same

The Tokai Bank, Limited,
New York Branch

Domestic Lending Office:

The Tokai Bank, Limited,
New York Branch
55 East 52nd Street
(Park Avenue Plaza)
New York, New York 10055

Eurodollar Lending Office:

Same

The Yasuda Trust and
Banking Co., Ltd.,
New York Branch

Domestic Lending Office:

The Yasuda Trust and
Banking Co., Ltd.,
New York Branch
666 Fifth Avenue
Suite 801
New York, New York 10103

Eurodollar Lending Office:

Same

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SCHEDULE II - PARENT FACILITY

	Short-Term Loan Commitment	Revolving Loan Commitment	Term Loan Commitment	Total Commitment
	-----	-----	-----	-----
The Bank of New York	\$110,294,117.65	\$79,411,764.71	\$96,573,529.42	\$286,279,411.78
Citibank, N.A.	\$110,294,117.64	\$79,411,764.70	\$96,573,529.44	\$286,279,411.78
Morgan Guaranty Trust Company of New York	\$110,294,117.65	\$79,411,764.71	\$96,573,529.42	\$286,279,411.78
Bank of America NT&SA	\$110,294,117.65	\$79,411,764.71	\$96,573,529.42	\$286,279,411.78
Bank of Montreal	\$90,960,953.35	\$65,491,886.41	\$79,645,410.75	\$236,098,250.51
The Bank of Nova Scotia	\$90,960,953.35	\$65,491,886.41	\$79,645,410.75	\$236,098,250.51
The Bank of Tokyo Trust Company	\$68,220,715.01	\$49,118,914.81	\$59,734,058.06	\$177,073,687.88
Barclays Bank PLC	\$90,960,953.35	\$65,491,886.41	\$79,645,410.75	\$236,098,250.51
Canadian Imperial Bank of Commerce	\$90,960,953.35	\$65,491,886.41	\$79,645,410.75	\$236,098,250.51
The Chase Manhattan Bank N.A.	\$90,960,953.35	\$65,491,886.41	\$79,645,410.75	\$236,098,250.51
Credit Lyonnais Cayman	\$90,960,953.35	\$65,491,886.41	\$79,645,410.75	\$236,098,250.51

Island Branch				
The First National Bank of Boston	\$90,960,953.35	\$65,491,886.41	\$79,645,410.75	\$236,098,250.51
The Fuji Bank, Limited	\$90,960,953.35	\$65,491,886.41	\$79,645,410.75	\$236,098,250.51
The Industrial Bank of Japan, Ltd.	\$90,960,953.35	\$65,491,886.41	\$79,645,410.75	\$236,098,250.51
LTCB Trust Company	\$90,960,953.35	\$65,491,886.41	\$79,645,410.75	\$236,098,250.51
Mellon Bank, N.A.	\$90,960,953.35	\$65,491,886.41	\$79,645,410.75	\$236,098,250.51
NationsBank of Texas N.A.	\$90,960,953.35	\$65,491,886.41	\$79,645,410.75	\$236,098,250.51
Societe Generale	\$90,960,953.35	\$65,491,886.41	\$79,645,410.75	\$236,098,250.51
Toronto-Dominion Bank	\$90,960,953.35	\$65,491,886.41	\$79,645,410.75	\$236,098,250.51
Union Bank	\$22,740,238.33	\$16,372,971.60	\$19,911,362.69	\$59,024,562.62
Credit Suisse	\$64,972,109.53	\$46,779,918.86	\$56,889,579.10	\$168,641,607.49
The Dai-Ichi Kangyo Bank	\$64,972,109.53	\$46,779,918.86	\$56,889,579.10	\$168,641,607.49
The Mitsubishi Bank, Limited	\$64,972,109.53	\$46,779,918.86	\$56,889,579.10	\$168,641,607.49
The Mitsubishi Trust & Banking Corporation	\$64,972,109.53	\$46,779,918.86	\$56,889,579.10	\$168,641,607.49
Royal Bank of Canada	\$64,972,109.53	\$46,779,918.86	\$56,889,579.10	\$168,641,607.49
The Sanwa Bank, Ltd.	\$64,972,109.53	\$46,779,918.86	\$56,889,579.10	\$168,641,607.49
Sumitomo Bank, Limited, New York Branch	\$64,972,109.53	\$46,779,918.86	\$56,889,579.10	\$168,641,607.49
Union Bank of Switzerland	\$64,972,109.53	\$46,779,918.86	\$56,889,579.10	\$168,641,607.49
Chemical Bank	\$36,764,705.88	\$26,470,588.24	\$32,191,176.47	\$95,426,470.59
Deutsche Bank AG	\$36,764,705.88	\$26,470,588.24	\$32,191,176.47	\$95,426,470.59
The Sakura Bank, Limited	\$27,573,529.41	\$19,852,941.18	\$24,143,382.35	\$71,569,852.94
Compagnie Financiere de CIC et de L'Union Europeenne, New York Branch	\$18,382,352.94	\$13,235,294.12	\$16,095,588.24	\$47,713,235.30
PNC Bank N.A.	\$18,382,352.94	\$13,235,294.12	\$16,095,588.24	\$47,713,235.30
First Interstate Bank of Washington, N.A.	\$9,191,176.47	\$6,617,647.06	\$8,047,794.12	\$23,856,617.65
Gulf International Bank	\$9,191,176.47	\$6,617,647.06	\$8,047,794.12	\$23,856,617.65
The Tokai Bank, Limited, New York Branch	\$9,191,176.47	\$6,617,647.06	\$8,047,794.12	\$23,856,617.65
The Yasuda Trust and Banking Co., Ltd., New York Branch	\$9,191,176.47	\$6,617,647.06	\$8,047,794.12	\$23,856,617.65
	\$2,500,000,000.00	\$1,800,000,000.00	\$2,189,000,000.00	\$6,489,000,000.00

SCHEDULE II - SUBSIDIARY FACILITY

	Viacom International	CableVision of Dayton, Inc.	WNYT Inc.
	-----	-----	-----
The Bank of New York	\$4,411,764.71	\$2,514,705.87	\$1,588,235.29
Citibank, N.A.	\$4,411,764.74	\$2,514,705.87	\$1,588,235.28
Morgan Guaranty Trust Company of New York	\$4,411,764.71	\$2,514,705.87	\$1,588,235.29
Bank of America NT&SA	\$4,411,764.71	\$2,514,705.87	\$1,588,235.29
Bank of Montreal	\$3,638,438.13	\$2,073,909.74	\$1,309,837.73
The Bank of Nova Scotia	\$3,638,438.13	\$2,073,909.74	\$1,309,837.73
The Bank of Tokyo Trust Company	\$2,728,828.60	\$1,555,432.30	\$982,378.30
Barclays Bank PLC	\$3,638,438.13	\$2,073,909.74	\$1,309,837.73
Canadian Imperial Bank of Commerce	\$3,638,438.13	\$2,073,909.74	\$1,309,837.73
The Chase Manhattan Bank N.A.	\$3,638,438.13	\$2,073,909.74	\$1,309,837.73
Credit Lyonnais Cayman Island Branch	\$3,638,438.13	\$2,073,909.74	\$1,309,837.73
The First National Bank of Boston	\$3,638,438.13	\$2,073,909.74	\$1,309,837.73
The Fuji Bank, Limited	\$3,638,438.13	\$2,073,909.74	\$1,309,837.73
The Industrial Bank of Japan, Ltd.	\$3,638,438.13	\$2,073,909.74	\$1,309,837.73
LTCB Trust Company	\$3,638,438.13	\$2,073,909.74	\$1,309,837.73
Mellon Bank, N.A.	\$3,638,438.13	\$2,073,909.74	\$1,309,837.73
NationsBank of Texas N.A.	\$3,638,438.13	\$2,073,909.74	\$1,309,837.73
Societe Generale	\$3,638,438.13	\$2,073,909.74	\$1,309,837.73
Toronto-Dominion Bank	\$3,638,438.13	\$2,073,909.74	\$1,309,837.73
Union Bank	\$909,609.53	\$518,477.43	\$327,459.43
Credit Suisse	\$2,598,884.38	\$1,481,364.10	\$935,598.38
The Dai-Ichi Kangyo Bank	\$2,598,884.38	\$1,481,364.10	\$935,598.38
The Mitsubishi Bank, Limited	\$2,598,884.38	\$1,481,364.10	\$935,598.38
The Mitsubishi Trust & Banking Corporation	\$2,598,884.38	\$1,481,364.10	\$935,598.38
Royal Bank of Canada	\$2,598,884.38	\$1,481,364.10	\$935,598.38
The Sanwa Bank, Ltd.	\$2,598,884.38	\$1,481,364.10	\$935,598.38
Sumitomo Bank, Limited, New York Branch	\$2,598,884.38	\$1,481,364.10	\$935,598.38
Union Bank of Switzerland	\$2,598,884.38	\$1,481,364.10	\$935,598.38
Chemical Bank	\$1,470,588.24	\$838,235.29	\$529,411.76
Deutsche Bank AG	\$1,470,588.24	\$838,235.29	\$529,411.76
The Sakura Bank, Limited	\$1,102,941.18	\$628,676.47	\$397,058.82
Compagnie Financiere de CIC et de L'Union Europeenne, New York Branch	\$735,294.12	\$419,117.65	\$264,705.88
PNC Bank N.A.	\$735,294.12	\$419,117.65	\$264,705.88

First Interstate Bank of Washington, N.A.	\$367,647.06	\$209,558.82	\$132,352.94
Gulf International Bank	\$367,647.06	\$209,558.82	\$132,352.94
The Tokai Bank, Limited, New York Branch	\$367,647.06	\$209,558.82	\$132,352.94
The Yasuda Trust and Banking Co., Ltd., New York Branch	\$367,647.06	\$209,558.82	\$132,352.94
	\$100,000,000.00	\$57,000,000.00	\$36,000,000.00

	WMZQ Inc.	WVIT Inc.	Total Commitment
	-----	-----	-----
The Bank of New York	\$2,250,000.00	\$2,955,882.35	\$13,720,588.22
Citibank, N.A.	\$2,250,000.00	\$2,955,882.33	\$13,720,588.22
Morgan Guaranty Trust Company of New York	\$2,250,000.00	\$2,955,882.35	\$13,720,588.22
Bank of America NT&SA	\$2,250,000.00	\$2,955,882.35	\$13,720,588.22
Bank of Montreal	\$1,855,603.45	\$2,437,753.55	\$11,315,542.60
The Bank of Nova Scotia	\$1,855,603.45	\$2,437,753.55	\$11,315,542.60
The Bank of Tokyo Trust Company	\$1,391,702.59	\$1,828,315.16	\$8,486,656.95
Barclays Bank PLC	\$1,855,603.45	\$2,437,753.55	\$11,315,542.60
Canadian Imperial Bank of Commerce	\$1,855,603.45	\$2,437,753.55	\$11,315,542.60
The Chase Manhattan Bank N.A.	\$1,855,603.45	\$2,437,753.55	\$11,315,542.60
Credit Lyonnais Cayman Island Branch	\$1,855,603.45	\$2,437,753.55	\$11,315,542.60
The First National Bank of Boston	\$1,855,603.45	\$2,437,753.55	\$11,315,542.60
The Fuji Bank, Limited	\$1,855,603.45	\$2,437,753.55	\$11,315,542.60
The Industrial Bank of Japan, LTD.	\$1,855,603.45	\$2,437,753.55	\$11,315,542.60
LTCB Trust Company	\$1,855,603.45	\$2,437,753.55	\$11,315,542.60
Mellon Bank, N.A.	\$1,855,603.45	\$2,437,753.55	\$11,315,542.60
NationsBank of Texas N.A.	\$1,855,603.45	\$2,437,753.55	\$11,315,542.60
Societe Generale	\$1,855,603.45	\$2,437,753.55	\$11,315,542.60
Toronto-Dominion Bank	\$1,855,603.45	\$2,437,753.55	\$11,315,542.60
Union Bank	\$463,900.87	\$609,438.39	\$2,828,885.65
Credit Suisse	\$1,325,431.03	\$1,741,252.54	\$8,082,530.43
The Dai-Ichi Kangyo Bank	\$1,325,431.03	\$1,741,252.54	\$8,082,530.43
The Mitsubishi Bank, Limited	\$1,325,431.03	\$1,741,252.54	\$8,082,530.43
The Mitsubishi Trust & Banking Corporation	\$1,325,431.03	\$1,741,252.54	\$8,082,530.43
Royal Bank of Canada	\$1,325,431.03	\$1,741,252.54	\$8,082,530.43
The Sanwa Bank, Ltd.	\$1,325,431.03	\$1,741,252.54	\$8,082,530.43
Sumitomo Bank, Limited, New York Branch	\$1,325,431.03	\$1,741,252.54	\$8,082,530.43
Union Bank of Switzerland	\$1,325,431.03	\$1,741,252.54	\$8,082,530.43
Chemical Bank	\$750,000.00	\$985,294.12	\$4,573,529.40
Deutsche Bank AG	\$750,000.00	\$985,294.12	\$4,573,529.40
The Sakura Bank Limited	\$562,500.00	\$738,970.59	\$3,430,147.06
Compagnie Financiere de CIC et de L'Union Europeenne, New York Branch	\$375,000.00	\$492,647.06	\$2,286,764.71
PNC Bank N.A.	\$375,000.00	\$492,647.06	\$2,286,764.71
First Interstate Bank of Washington, N.A.	\$187,500.00	\$246,323.53	\$1,143,382.35
Gulf International Bank	\$187,500.00	\$246,323.53	\$1,143,382.35
The Tokai Bank, Limited, New York Branch	\$187,500.00	\$246,323.53	\$1,143,382.35
The Yasuda Trust and Banking Co., Ltd., New York Branch	\$187,500.00	\$246,323.53	\$1,143,382.35
	\$51,000,000.00	\$67,000,000.00	\$311,000,000.00

AMENDMENT NO. 2

AMENDMENT NO. 2, dated as of September 29, 1994 ("Amendment No. 2"), to the \$6.489 Billion Credit Agreement, dated as of July 1, 1994, as amended as of August 5, 1994 by Amendment No. 1, (the "Credit Agreement") among VIACOM INC., a Delaware corporation ("Viacom"), each of the several Banks parties thereto, THE BANK OF NEW YORK, as a Managing Agent and as the Documentation Agent, CITIBANK, N.A., as a Managing Agent and as the Administrative Agent, MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as a Managing Agent, JP MORGAN SECURITIES INC., as the Syndication Agent, BANK OF AMERICA NT&SA, as a Managing Agent, the Banks identified as Agents on the signature pages thereof, as Agents, and the Banks identified as Co-Agents on the signature pages thereof, as Co-Agents.

W I T N E S S E T H:

WHEREAS, Viacom, each of the several Banks identified on the signature pages thereof, THE BANK OF NEW YORK, as a Managing Agent and as the Documentation Agent, CITIBANK, N.A., as a Managing Agent and as the

Administrative Agent, MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as a Managing Agent, JP MORGAN SECURITIES INC., as the Syndication Agent, BANK OF AMERICA NT&SA, as a Managing Agent and the Banks identified as Agents on the signature pages thereof as Agents are entering into a \$1.8 Billion Credit Agreement dated as of September 29, 1994 (the "\$1.8 Billion Credit Agreement") in order to provide senior debt for, among other things, the refinancing by Viacom of certain existing indebtedness of Blockbuster Entertainment Corporation, a Delaware Corporation and for general corporate purposes; and

WHEREAS, the parties who have heretofore entered into the Credit Agreement now desire to amend certain provisions of such Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

SECTION 1. Amendments. (a) The definition of EBIDT in Section 1.1 of the Credit Agreement is hereby amended by:

(i) adding the following clause after the word 'Merger' at the end of clause (a) (iv):

"or the "Merger" (as defined in the \$1.8 Billion Credit Agreement)", and

(ii) adding the following clause after the word "definition" at the end of clause (b):

"less (c) Net Video Tape Purchases".

(b) The definition of "Indebtedness" is hereby amended to (i) replace Schedule 1.1 referred to therein with Schedule 1.1(a) to this Amendment No. 2, and (ii) to delete the words "the date hereof" appearing after the phrase "in existence at" in clause (b) of the proviso to clause (vi) thereof, and to replace such words with "September 29, 1994".

(c) Section 1.1 of the Credit Agreement is hereby amended to insert the following definitions:

"'Blockbuster' means Blockbuster Entertainment Corporation, a Delaware corporation."

"'\$1.8 Billion Credit Agreement' means the Credit Agreement, dated as of September 29, 1994 among the Borrower, each of the several banks identified on the signature pages thereof, THE BANK OF NEW YORK, as a Managing Agent and as Documentation Agent, CITIBANK, N.A., as a Managing Agent and as the Documentation Agent, MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as a Managing Agent, JP MORGAN SECURITIES INC., as the Syndication Agent, BANK OF AMERICA NT&SA, as a Managing Agent and the banks identified as Agents on the signature pages thereof as Agents."

"'Net Video Tape Purchases' means the aggregate purchases of videocassettes less (i) purchases to stock new or remodeled stores and (ii) videocassette sales of previously viewed videocassettes."

2

"'6.625% Blockbuster Senior Notes' means Blockbuster's \$150,000,000 senior notes due February 15, 1998."

(d) Section 2.3(b) of the Credit Agreement is hereby amended by: (i) deleting "and" at the end of Section 2.3(b) (x); (ii) deleting "." at the end of Section 2.3(b) (y), and (iii) adding the following:

"; and (z) no such reduction shall be required in respect of funds borrowed under the \$1.8 Billion Credit Agreement."

(e) Section 7.4 of the Credit Agreement is hereby amended by deleting it in its entirety and replacing it with the following:

"7.4. Financial Information. (a) The reports of the Borrower on Form 10-K for the Fiscal year ended December 31, 1993 as amended by Amendment No. 1 on Form 10-K/A dated May 2, 1994 and on Form 10-Q for the Fiscal Quarter ended June 30, 1994 are respectively complete and correct in all material respects as of such respective dates, and the financial statements therein have been prepared in accordance with GAAP and fairly present the financial condition and results of operations of the Borrower and its consolidated Subsidiaries as of such respective dates (subject, in the case of such reports on Form 10-Q, to changes resulting from normal year-end adjustments).

(b) Since June 30, 1994, there has been no Material Adverse Change or Material Credit Agreement Change.

(c) None of the Borrower or any Subsidiary of the Borrower had at June 30, 1994 any obligation, contingent liability, or liability for taxes or long-term leases material to the Borrower and its Subsidiaries taken as a whole which is not reflected in the balance sheets referred to in subsection (a) above or in the notes thereto."

(f) Section 7.15 of the Credit Agreement is hereby amended by inserting the words "and Blockbuster and its Subsidiaries" after the reference therein to "the Borrower and its Subsidiaries."

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(g) Article VIII of the Credit Agreement is hereby amended by deleting it in its entirety and replacing it with the following:

"ARTICLE VIII

Financial Covenants

As long as any of the Loans shall remain unpaid or any Bank shall have any Commitment hereunder, unless otherwise agreed by the written consent of the Majority Banks:

8.1 Total Leverage Ratio. The Total Leverage Ratio shall not exceed, as of the last day of any Fiscal Quarter described below, the amount specified with respect to such period:

Date	Ratio
-----	-----
September 30, 1994	7.15x
December 31, 1994	6.50x
March 31, 1995 through September 30, 1995	6.25x
December 31, 1995	5.75x
March 31, 1996 through December 31, 1997	5.25x
March 31, 1998 through December 31, 1998	4.50x
March 31, 1999 and Thereafter	4.00x

8.2 Ratio of EBIDT to Trailing Total Cash Interest and Preferred Dividends. The ratio of EBIDT to Total Cash Interest and Preferred Dividends shall not be less, as of the last day of any Fiscal Quarter occurring during any period set forth below, than the amount specified with respect to such period:

Date	Ratio
- ----	-----
September 30, 1994	1.50x
December 31, 1994	1.75x
March 31, 1995 through December 31, 1996	2.00x
March 31, 1997 and thereafter	2.25x

8.3 Minimum Net Worth. On the last day of each Fiscal Quarter, commencing September 30, 1994, the Net Worth of the Borrower and its Subsidiaries shall not be less than 75% of the Net Worth of the Borrower and its Subsidiaries on the date which is the first Fiscal Quarter end date after the Effective Date (as defined in the \$1.8 Billion Credit Agreement)."

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(h) Sections 9.8(a) and 9.8(b) of the Credit Agreement are hereby amended by deleting all references to "and consolidating" and adding the following clause after the words "Fiscal Year to the end of such Fiscal Quarter" in Section 9.8(a) and after the words "its Subsidiaries for such year" in Section 9.8(b):

"(along with business segment information customarily prepared by the Borrower)"

(i) Sections 9.8(a) and 9.8(b) of the Credit Agreement are hereby amended by deleting "Five Million Dollars (\$5,000,000)" and replacing it with "Fifty Million Dollars (\$50,000,000)."

(j) Section 10.6 of the Credit Agreement is hereby amended by adding the following clause to the end of the sentence:

"or under existing facilities identified on Schedule 10.6 to Amendment No. 2 to this Agreement or any replacement facilities thereto which in the aggregate do not exceed the amounts of the commitments on such Schedule"

(k) Section 10.7 of the Credit Agreement is hereby amended by adding the following clause to the end of the sentence:

"provided however, that the Borrower may enter into the \$1.8 Billion Credit Agreement and may become an obligor under the 6.625% Blockbuster Senior Notes"

SECTION 2. Effectiveness. This Amendment No. 2 will be effective upon the execution thereof by each of Viacom, each Guarantor Subsidiary and the Majority Banks and the occurrence of the Effective Date (as defined in the \$1.8 Billion Credit Agreement).

SECTION 3. Representations and Warranties. Each of the Borrower and the Subsidiary Guarantors hereby represents and warrants that as of the date hereof, both before and after giving effect to this Amendment, no Default or Event of Default shall exist or be continuing under the Credit Agreement.

5

SECTION 4. Miscellaneous. (a) Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement.

(b) Except as amended hereby, all of the terms of the Credit Agreement shall remain and continue in full force and effect and are hereby confirmed in all respects.

(c) This Amendment shall be a Loan Document for the purposes of the

Credit Agreement.

(d) This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto were upon the same instrument. Delivery of an executed counterpart of a signature page of this Amendment by telecopier shall be effective as delivery of a manually executed counterpart of this Amendment.

(e) THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 5. Subsidiary Guarantor Confirmation. By signing below, each of the Subsidiary Guarantors hereby agrees to the terms of the foregoing Amendment No. 2 and confirms that the VII Guarantee and the Paramount Guarantee, respectively, remain in full force and effect.

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

VIACOM INC., as Borrower

VIACOM INTERNATIONAL INC., as a
Subsidiary Guarantor

PARAMOUNT COMMUNICATIONS INC., as a
Subsidiary Guarantor

By: /s/ Vaughn A. Clarke

Name: Vaughn A. Clarke
Title: Senior Vice President,
Treasurer

Managing Agents

THE BANK OF NEW YORK, as Managing
Agent, the Documentation Agent and a
Bank

By: /s/ Geoffrey C. Brooks

Name: Geoffrey C. Brooks
Title: Vice President

CITIBANK, N.A., as Managing Agent,
the Administrative Agent and a Bank

By: /s/ Frederick B. Pickering, Jr.

Name: Frederick B. Pickering, Jr.
Title: Managing Director

7

MORGAN GUARANTY TRUST COMPANY OF NEW
YORK, as Managing Agent and a Bank

By:/s/ Stephen J. Kenneally

Name: Stephen J. Kenneally
Title: Vice President

BANK OF AMERICA NT&SA, as Managing
Agent and a Bank

By:/s/ Nancy L. Sun

Name: Nancy L. Sun
Title: Vice President

Agents

BANK OF MONTREAL, as Agent and a
Bank

By:/s/ Yvonne Bos

Name: Yvonne Bos
Title: Managing Director

THE BANK OF NOVA SCOTIA, as Agent
and a Bank

By:/s/ Vince Fitzgerald

Name: Vince Fitzgerald
Title: Vice President

THE BANK OF TOKYO TRUST COMPANY, as
Agent and a Bank

By:/s/ Charles Poer

Name: Charles Poer
Title: Vice President

8

BARCLAYS BANK PLC, as Agent and a
Bank

By:/s/ Andrew Wynn

Name: Andrew Wynn
Title: Director

CANADIAN IMPERIAL BANK OF COMMERCE,
as Agent and a Bank

By:/s/ John H. Tyler

Name: John H. Tyler
Title: Vice President

THE CHASE MANHATTAN BANK (NATIONAL
ASSOCIATION), as Agent and a Bank

By:/s/ Bruce Langenkamp

Name: Bruce Langenkamp
Title: Vice President

CREDIT LYONNAIS CAYMAN ISLAND
BRANCH, as Agent and a Bank

By:/s/ M. Bernadette Collins

Name: M. Bernadette Collins
Title: Vice President

THE FIRST NATIONAL BANK OF BOSTON,
as Agent and a Bank

By:/s/ Mary M. Barcus

Name: Mary M. Barcus
Title: Vice President

9

THE FUJI BANK, LIMITED, as Agent and
a Bank

By:/s/ Katsunori Nozawa

Name: Katsunori Nozawa
Title: Vice President &
Manager

THE INDUSTRIAL BANK OF JAPAN, LTD.,
as Agent and a Bank

By:/s/ Junri Oda

Name: Junri Oda
Title: Sr. Vice President
and Sr. Manager

LTCB TRUST COMPANY, as Agent and a
Bank

By:/s/ Hiroshi Sasaki

Name: Hiroshi Sasaki

Title: Sr. Vice President

MELLON BANK, N.A., as Agent and a
Bank

By:/s/ G. Lewis Ashley

Name: G. Lewis Ashley
Title: First Vice President

NATIONSBANK OF TEXAS, N.A., as Agent
and a Bank

By:/s/ Chad E. Coben

Name: Chad E. Coben
Title: Assistant Vice
President

10

SOCIETE GENERALE, as Agent and a
Bank

By:/s/ Pascale Hainline

Name: Pascale Hainline
Title: Vice President

THE TORONTO-DOMINION BANK, as Agent
and a Bank

By:/s/ David G. Parker

Name: David G. Parker
Title: Mgr. Cr. Admin.

UNION BANK, as Agent and a Bank

By:/s/ Michael K. McShane

Name: Michael K. McShane
Title: Vice President

Co-Agents

CREDIT SUISSE, as Co-Agent and a
Bank

By:/s/ Michael C. Mast

Name: Michael C. Mast
Title: Member of Senior
Management

By:/s/ J. Hamilton Crawford

Name: J. Hamilton Crawford
Title: Associate

11

THE DAI-ICHI KANGYO BANK LTD., NEW
YORK BRANCH, as Co-Agent and a Bank

By:/s/ Shinya Wako

Name: Shinya Wako
Title: Vice President and
Department Head

THE MITSUBISHI BANK, LIMITED, as
Co-Agent and a Bank

By:/s/ Paula Mueller

Name: Paula Mueller
Title: Vice President

THE MITSUBISHI TRUST & BANKING
CORPORATION, as Co-Agent and a Bank

By:/s/ Masataka Ushio

Name: Masataka Ushio
Title: Senior Vice
President

ROYAL BANK OF CANADA, as Co-Agent
and a Bank

By:/s/ Eduardo Salazar

Name: Eduardo Salazar
Title: Senior Manager

12

THE SANWA BANK, LTD., as Co-Agent
and a Bank

By:/s/ Dominic Sorresso

Name: Dominic Sorresso
Title: Vice President

THE SUMITOMO BANK, LIMITED, NEW YORK
BRANCH, as Co-Agent and a Bank

By:/s/ Yoshinori Kawamura

Name: Yoshinori Kawamura
Title: Joint General Manager

UNION BANK OF SWITZERLAND, as
Co-Agent and a Bank

By:/s/ James P. Kelleher

Name: James P. Kelleher
Title: Assistant Treasurer

By:/s/ Peter B. Yearly

Name: Peter B. Yearly
Title: Vice President

Syndication Agent

JP MORGAN SECURITIES INC., as the
Syndication Agent

By:/s/ Barbara J. Asch

Name: Barbara J. Asch
Title: Vice President

13

Lead Managers

CHEMICAL BANK, as Lead Manager and a
Bank

By:/s/ John C. Coffin

Name: John C. Coffin
Title: Vice President

DEUTSCHE BANK AG, through its New
York and/or Cayman Islands Branch,
as Lead Manager and a Bank

By:/s/ Bina R. Dabbah

Name: Bina R. Dabbah
Title: Vice President

By:/s/ John R. Lilly

Name: John R. Lilly
Title: Vice President

Participants

THE SAKURA BANK, LIMITED, as
Participant and a Bank

By:/s/ Masahiro Nakajo

Name: Masahiro Nakajo
Title: Senior Vice President
& Manager

14

COMPAGNIE FINANCIERE DE CIC ET DE
L'UNION EUROPEENNE, NEW YORK BRANCH,
as Participant and a Bank

By:/s/ Marcus Edward

Name: Marcus Edward
Title: Vice President

By:/s/Sean Mounier

Name: Sean Mounier
Title: Vice President

PNC BANK N.A., as Participant and a
Bank

By:/s/ Margot C. Bright

Name: Margot C. Bright
Title: Assistant Vice
President

FIRST INTERSTATE BANK OF WASHINGTON,
N.A., as Participant and a Bank

By:/s/ Susan Hendrixson

Name: Susan Hendrixson
Title: Vice President

15

GULF INTERNATIONAL BANK, as
Participant and a Bank

By:/s/ Haythan F. Khalil

Name: Haythan F. Khalil
Title: Assistant Vice
President

By: /s/ Abdel-Fattah Tahoun

 Name: Abdel-Fattah Tahoun
 Title: Senior Vice President

THE TOKAI BANK, LIMITED, NEW YORK
 BRANCH, as Participant and a Bank

By: /s/ Masaharu Muto

 Name: Masaharu Muto
 Title: Deputy General Manager

THE YASUDA TRUST AND BANKING CO.,
 LTD., NEW YORK BRANCH, as
 Participant and a Bank

By: /s/ Neil T. Chau

 Name: Neil T. Chau
 Title: First Vice President

Schedule 1.1(a)

 Guarantees Related to Discontinued Operations

Guarantor -----	Obligor -----	Type ----	Expiry -----	Currency -----	Principal Amount Outstanding -----
PCI	JMZ Co.	Capitalized Lease	6/19/98	USD	11,105,484
PCI	Kayser-Roth	9-1/2% Notes	7/31/95	USD	305,716
PCI	Kayser-Roth	9% Notes	1/31/96	USD	151,106
PCI	Simmons Manufacturing	7% IRB's	10/15/17	USD	9,700,000
PCI	CBF Fabrics	7-1/4% IRB's	7/1/97	USD	1,960,000

 Guaranteed Joint-Venture Credit Facilities

* in foreign currency

Guarantor -----	Obligor -----	Type ----	Expiry -----	Currency -----	Total Facility Size* -----	Maximum Guarantee Exposure* -----
PCI	UCI (UK)	Term Loan	9/30/97	Pounds Sterling	58,722,500	29,361,250
PCI	UCI (UK)	Revolver	6/11/96	Pounds	27,000,000	13,500,000
PCI	CIC (UK)	Revolver	12/6/96	Sterling Pounds	31,000,000	15,500,000
PCI	UCI Germany	Revolver/Term	8/22/95	Deutschemark	100,000,000	50,000,000
PCI	UCI Spain	Revolver/Term	4/15/99	Spanish Peseta	5,000,000,000	2,500,000,000
Blockbuster Enter. Co. (a)	Blockbuster Japan Co. Ltd.	Revolver	7/14/95	Yen	700,000,000	2,025,000,000
Blockbuster Enter. Co. (a)	Blockbuster Japan Co. Ltd.	Revolver	9/27/95	Yen	4,050,000,000	350,000,000

 Guarantees: Other

7Guarantor -----	Obligor -----	Type ----	Expiry -----	Currency -----	Total Facility Size -----	Maximum Guarantee Exposure* -----
Blockbuster Enter. Co. (a)	Panthers Invest. Venture	Revolver	5/31/01	USD	20,000,000	20,000,000
Blockbuster Enter. Co. (a)	Backlick Springfield LP	Mortgage	4/19/95	USD	5,500,000	5,500,000
Blockbuster Enter. Co. (a)	Pavillion Partners	Promissory Note	10/1/04	USD	25,000,000	12,500,000

<FN>
 (a) to be assumed by Viacom Inc.

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Schedule 10.6

Subsidiary Indebtedness

Obligor -----	Type ----	Expire -----	Currency -----	Total Facility Size -----
Virgin Interactive Entertainment Inc.	Revolver	6/30/95	USD	75,000,000
Virgin Interactive Entertainment Inc.	Revolver	10/31/94	Pounds Sterling	10,000,000*

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AMENDMENT

This Amendment ("Amendment"), dated as of May 15, 1995, shall be:

AMENDMENT NO. 3 to the \$6.489 BILLION CREDIT AGREEMENT, dated as of July 1, 1994, as amended as of August 5, 1994 by Amendment No. 1 and as of September 29, 1994 by Amendment No. 2 (the "Parent Facility"), among VIACOM INC., a Delaware corporation ("Viacom"), each of the several Banks, THE BANK OF NEW YORK, as a Managing Agent and as the Documentation Agent, CITIBANK, N.A., as a Managing Agent and as the Administrative Agent, MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as a Managing Agent, JP MORGAN SECURITIES INC., as the Syndication Agent, BANK OF AMERICA NT&SA, as a Managing Agent, the Banks identified as Agents on the signature pages thereof, as Agents, and the Banks identified as Co-Agents on the signature pages thereof, as Co-Agents; and

AMENDMENT NO. 2 to the \$311 MILLION CREDIT AGREEMENT, dated as of July 1, 1994, as amended as of August 5, 1994 by Amendment No. 1 (the "Subsidiary Facility"), among VIACOM CABLEVISION OF DAYTON INC., WNYT INC., WMZQ INC., WVIT INC. and VIACOM INTERNATIONAL INC., each a Delaware corporation (collectively, "Subsidiary Borrowers"), each of the several Banks, THE BANK OF NEW YORK, as a Managing Agent and as the Documentation Agent, CITIBANK, N.A., as a Managing Agent and as the Administrative Agent, MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as a Managing Agent, JP MORGAN SECURITIES INC., as the Syndication Agent, BANK OF AMERICA NT&SA, as a Managing Agent, the Banks identified as Agents on the signature pages thereof, as Agents, and the Banks identified as

Co-Agents on the signature pages thereof, as Co-Agents.

W I T N E S S E T H:

WHEREAS, Viacom and the Subsidiary Borrowers have requested certain amendments to be made to certain provisions of the Parent Facility and the Subsidiary Facility, respectively; and

WHEREAS, the parties who have heretofore entered into the Parent Facility and the Subsidiary Facility now desire to amend such provisions of such agreements.

NOW, THEREFORE, the parties hereto agree as follows:

SECTION 1. Amendments. (a) The definition of EBIDT in Section 1.1 of the Parent Facility is hereby amended by:

(i) deleting clause (a)(ii) in its entirety and replacing it with the following:

"(ii) amortization expense (including all amortization expenses recognized in accordance with APB 16 and 17 but excluding (A) all other amortization of programming, production and pre-publication costs and (B) amortization of videocassettes)";

and

(ii) deleting the phrase ", less (c) Net Video Tape Purchases" after the word "definition" at the end of clause (b).

(b) Section 1.1 of the Parent Facility is hereby amended to delete the definition of Net Video Tape Purchases.

(c) The definition of "Applicable Eurodollar Rate Margin" in Section 1.1 of each of the Parent Facility and the Subsidiary Facility is hereby amended by deleting the first proviso in its entirety and replacing it with the following:

"provided, however, that if the ratings assigned by S&P and Moody's shall differ, the Credit Rating shall be the rating which is the higher rating".

(d) Section 2.3 (b) of the Parent Facility is hereby amended by:

(i) inserting the words "or Capital Market Transaction date" after the words "related sale date" in clause (y) thereof;

(ii) deleting the number \$250 million in clause (y)(C) thereof and replacing it with the number \$500 million;

(iii) replacing the word "reinvested", wherever it appears therein, with the words "used to acquire assets";

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(iv) replacing the word "reinvestment", in the first place it appears therein, with the words "use for acquisitions"; and

(v) replacing the words "reinvestment of Net Cash Proceeds" with the words "use of Net Cash Proceeds for acquisitions".

(e) Each of Section 5.4 (a) of the Parent Facility and Section 3.4 (a) of the Subsidiary Facility is hereby amended by deleting the proviso in its

entirety and replacing it with the following:

"provided, however, that if the ratings assigned by S&P and Moody's shall differ, the Credit Rating shall be the rating which is the higher rating".

(f) Section 10.6 of the Parent Facility is hereby amended by replacing it in its entirety with the following:

"10.6. Subsidiary Indebtedness. The Borrower shall not permit any of its Subsidiaries, other than a Guarantor Subsidiary, to incur Indebtedness for borrowed money other than (a) the Subsidiary Loans (as defined in the Subsidiary Facility), (b) under existing facilities identified on Schedule 10.6 to Amendment No. 2 to this Agreement or any replacement facilities thereto which in the aggregate do not exceed the amounts of the commitments on such Schedule and (c) Indebtedness for borrowed money in an aggregate amount at any time outstanding of not more than \$25 million for all of its Subsidiaries other than a Guarantor Subsidiary".

(g) Section 7.4 of the Subsidiary Facility is hereby amended by adding after the word "Agreement" the phrase "and other than Indebtedness permitted pursuant to Section 10.6 of the Parent Facility".

(h) Each of Section 10.7 of the Parent Facility and Section 7.5 of the Subsidiary Facility is hereby amended by inserting the following after the words "Commercial Paper" in the parentheses:

"and up to \$500 million of Indebtedness with maturities of no less than seven years from the date such Indebtedness is incurred".

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SECTION 2. Effectiveness. This Amendment will be effective upon the execution hereof by each of Viacom, each Subsidiary Borrower, the Guarantor Subsidiary and (i) except in the case of the amendments contained in Sections 1(c) and (e) hereof, the Majority Banks and (ii) in the case of the amendments contained in Sections 1(c) and (e) hereof, each of the Banks.

SECTION 3. Representations and Warranties. Each of Viacom, the Subsidiary Borrowers and the Guarantor Subsidiary hereby represents and warrants that as of the date hereof, both before and after giving effect to this Amendment, no Default or Event of Default shall exist or be continuing under the Parent Facility or the Subsidiary Facility.

SECTION 4. Miscellaneous. (a) Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in each of the Parent Facility and the Subsidiary Facility.

(b) Except as amended hereby, all of the terms of each of the Parent Facility and the Subsidiary Facility shall remain and continue in full force and effect and are hereby confirmed in all respects.

(c) This Amendment shall be a Loan Document for the purposes of the Parent Facility and the Subsidiary Facility.

(d) This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto were upon the same instrument. Delivery of an executed counterpart of a signature page of this Amendment by telecopier shall be effective as delivery of a manually executed counterpart of this Amendment.

(e) THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 5. Guarantor Subsidiary Confirmation. By signing below, the Guarantor Subsidiary hereby agrees to the terms of the foregoing Amendment and confirms that the VII Guarantee remains in full force and effect.

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SECTION 6. Viacom Inc. Confirmation. By signing below, Viacom Inc., as guarantor under the Parent Guarantee ("Parent Guarantor"), hereby agrees to the terms of the foregoing Amendment and confirms that the Parent Guarantee remains in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

VIACOM INC., as Borrower and as Parent Guarantor

By: /s/ Vaughn A. Clark

Name: Vaughn A. Clark
Title: Senior Vice President,
Treasurer

VIACOM INTERNATIONAL INC., as a Subsidiary
Borrower and as a Guarantor Subsidiary

By: /s/ Vaughn A. Clark

Name: Vaughn A. Clark
Title: Senior Vice President,
Treasurer

On behalf of the following Subsidiary Borrowers:

VIACOM CABLEVISION OF DAYTON INC.,

WNYT INC.,

WMZQ INC. and

WVIT INC.

By: /s/ Vaughn A. Clark

Name: Vaughn A. Clark
Title: Senior Vice President,
Treasurer

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Managing Agents

THE BANK OF NEW YORK, as Managing Agent, the
Documentation Agent and a Bank

By: /s/ Geoffrey C. Brooks

Name: Geoffrey C. Brooks
Title: Vice President

CITIBANK, N.A., as Managing Agent, the
Administrative Agent and a Bank

By: /s/ Margaret C. Ullrich

Name: Margaret C. Ullrich
Title: Vice President

MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as
Managing Agent and a Bank

By: /s/ Mathias Blumschein

Name: Mathias Blumschein
Title: Associate

BANK OF AMERICA NT&SA, as Managing Agent and a
Bank

By:/s/ Amy S. Trapp

Name: Amy S. Trapp
Title: Vice President

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Agents

BANK OF MONTREAL, as Agent and a Bank

By: /s/ Yvonne Bos

Name: Yvonne Bos
Title:Managing Director

THE BANK OF NOVA SCOTIA, as Agent and a Bank

By: /s/ Vince J. Fitzgerald

Name: Vince J. Fitzgerald
Title: Senior Relationship Mgr.

BANK OF TOKYO TRUST COMPANY, as Agent and a Bank

By: /s/ Charles Poer

Name: Charles Poer
Title: Vice President & Manager

BARCLAYS BANK PLC, as Agent and a Bank

By: /s/ Michael W. Ballard

Name: Michael W. Ballard
Title:Associate Director

CANADIAN IMPERIAL BANK OF COMMERCE, as Agent and
a Bank

By:/s/ John Tyler

Name: John Tyler
Title: Vice President

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THE CHASE MANHATTAN BANK (NATIONAL ASSOCIATION),
as Agent and a Bank

By: /s/ Bruce Longenkamp

Name: Bruce Longenkamp
Title:Vice President

CREDIT LYONNAIS CAYMAN ISLAND BRANCH, as Agent
and a Bank

By: /s/ M. Bernadette Collins

Name: M. Bernadette Collins
Title:Authorized Signature

THE FIRST NATIONAL BANK OF BOSTON, as Agent and a
Bank

By: /s/ Mary M. Barcus

Name: Mary M. Barcus
Title: Vice President

THE FUJI BANK, LIMITED, as Agent and a Bank

By: /s/ Kazuaki Kitabatake

Name: Kazuaki Kitabatake
Title:Joint General Manager

THE INDUSTRIAL BANK OF JAPAN, LTD., as Agent and
a Bank

By: /s/ Jeffrey Cole

Name: Jeffrey Cole
Title:Senior Vice President

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LTCB TRUST COMPANY, as Agent and a Bank

By: /s/ John A. Krob

Name: John A. Krob
Title: Senior Vice President

MELLON BANK, N.A., as Agent and a Bank

By: /s/ G. Luis Ashley

Name: G. Luis Ashley
Title: First Vice President

NATIONSBANK OF TEXAS, N.A., as Agent and a Bank

By: /s/ Chad E. Coben

Name: Chad E. Coben
Title: Vice President

SOCIETE GENERALE, as Agent and a Bank

By: /s/ Pascale Hainline

Name: Pascale Hainline
Title: Vice President

THE TORONTO-DOMINION BANK, as Agent and a Bank

By: /s/ Neva Nesbitt

Name: Neva Nesbitt
Title: Manager Credit Admin.

UNION BANK, as Agent and a Bank

By: /s/ J. Kevin Sampson

Name: J. Kevin Sampson
Title:

Co-Agents

CREDIT SUISSE, as Co-Agent and a Bank

By: /s/ Michael C. Mast

Name: Michael C. Mast

Title: Member of Senior
Management

By: /s/ Kristina Catlin

Name: Kristina Catlin
Title: Associate

THE DAI-ICHI KANGYO BANK LTD., NEW YORK BRANCH,
as Co-Agent and a Bank

By: /s/ Shinya Wako

Name: Shinya Wako
Title: Senior Vice President
and Department Head

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THE MITSUBISHI BANK, LIMITED, as Co-Agent and a
Bank

By: /s/ Paula Mueller

Name: Paula Mueller
Title: Vice President

THE MITSUBISHI TRUST & BANKING CORPORATION, as
Co-Agent and a Bank

By: /s/ Patricia Loret de Mola

Name: Patricia Loret de Mola
Title: Senior Vice President

ROYAL BANK OF CANADA, as Co-Agent and a Bank

By: /s/ Eduardo Salazar

Name: Eduardo Salazar
Title: Senior Manager

THE SANWA BANK, LTD., as Co-Agent and a Bank

By: /s/ Dominic J. Sorresso

Name: Dominic J. Sorresso
Title: Vice President

THE SUMITOMO BANK, LIMITED, NEW YORK BRANCH, as
Co-Agent and a Bank

By: /s/ Shuntaro Hisashi

Name: Shuntaro Hisashi
Title: Joint General Manager

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UNION BANK OF SWITZERLAND, as Co-Agent and a Bank

By: /s/ James P. Kelleher

Name: James P. Kelleher
Title: Assistant Vice
President

By: /s/ Peter B. Yearley

Name: Peter B. Yearley
Title: Vice President

Syndication Agent

JP MORGAN SECURITIES INC., as the Syndication
Agent

By: /s/ Barbara J. Asch

Name: Barbara J. Asch
Title: Vice President

Lead Managers

CHEMICAL BANK, as Lead Manager and a Bank

By: /s/ Mary E. Cameron

Name: Mary E. Cameron
Title: Vice President

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DEUTSCHE BANK AG, through its New York and/or
Cayman Islands Branch, as Lead Manager and a Bank

By: /s/ Steven M. Godeke

Name: Steven M. Godeke
Title: Vice President

By: /s/ Bina R. Dabbah

Name: Bina R. Dabbah
Title: Vice President

Participants

THE SAKURA BANK, LIMITED

By: /s/ Hiroshi Shimazaki

Name: Hiroshi Shimazaki
Title: Senior Vice President
and Manager

COMPAGNIE FINANCIERE DE CIC ET DE L'UNION
EUROPEENNE, NEW YORK BRANCH

By: /s/ Brian O'Leary/Marcus Edward

Name: Brian O'Leary/Marcus Edward
Title: Vice Presidents

PNC BANK N.A.

By: /s/ Karen M. Wolters

Name: Karen M. Wolters
Title: Vice President

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FIRST INTERSTATE BANK OF WASHINGTON, N.A.

By: /s/ Susan Hendrixson

Name: Susan Hendrixson
Title: Vice President

GULF INTERNATIONAL BANK

By: /s/ Abdel-Fattah Tahoun

Name: Abdel-Fattah Tahoun
Title: Senior Vice President

By: /s/ Haytham F. Khalil

Name: Haytham F. Khalil
Title: Assistant Vice President

THE TOKAI BANK, LIMITED, NEW YORK BRANCH

By: /s/ Masaharu Muto

Name: Masaharu Muto
Title: Deputy General Manager

THE YASUDA TRUST AND BANKING CO., LTD., NEW YORK
BRANCH

By: /s/ Neil T. Chau

Name: Neil T. Chau
Title: First Vice President

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BANK BRUSSELS LAMBERT, NEW YORK BRANCH

By: /s/ Denise Isherwood

Name: Denise Isherwood
Title: Assistant Vice
President

By: /s/ Eric Hollanders

Name: Eric Hollanders
Title: Senior Vice President
Credit Department

BANQUE FRANCAISE DU COMMERCE EXTERIEUR, NEW YORK
BRANCH

By: /s/ Peter K. Harris

Name: Peter K. Harris
Title: Vice President

By: /s/ William Marer

Name: William Marer
Title: Vice President/Manager

DEN DANSKE BANK

By: /s/ George Wendell

Name: George Wendell
Title: Vice President

By: /s/ Mogens Sondergaard

Name: Mogens Sondergaard
Title: Vice President

FIRST UNION NATIONAL BANK OF NORTH CAROLINA

By: /s/ William F. Laponte, III

Name: William F. Laponte, III
Title: Vice President

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NIPPON CREDIT BANK, LTD., LOS ANGELES AGENCY

By: /s/ Bernardo E. Correa-Henschke

Name: Bernardo E. Correa-Henschke
Title: Vice President and Manager

SHAWMUT BANK CONNECTICUT, N.A.

By: /s/ Robert F. West

Name: Robert F. West
Title: Director

VAN KAMPEN PRIME RATE INCOME TRUST

By: /s/ Jeffrey W. Maillet

Name: Jeffrey W. Maillet
Title: Vice President
& Portfolio Mgr.

FIRST HAWAIIAN BANK

By: /s/ William B. Schink

Name: William B. Schink
Title: Vice President

BAYERISCHE VEREINS BANK, A.G.

By: /s/ John Carlson

Name: John Carlson
Title: Vice President

By: /s/ Sylvia Cheng

Name: Sylvia Cheng
Title: Vice President

BANK OF HAWAII

By: /s/ J. Bryan Searce

Name: J. Bryan Searce
Title: Associate Vice President

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THE SUMITOMO TRUST BANKING COMPANY, LTD.

By: /s/ Suraj P. Bhatia

Name: Suraj P. Bhatia
Title: Senior Vice President
Manager, Corp. Finance

AMENDMENT

This Amendment ("Amendment"), dated as of November 17, 1995, shall be:

AMENDMENT NO. 4 to the \$6.489 BILLION CREDIT AGREEMENT, dated as of July 1, 1994, as amended, ("Parent Facility") among VIACOM INC., a Delaware corporation ("Viacom"), each of the several Banks, THE BANK OF NEW YORK, as a Managing Agent and as the Documentation Agent, CITIBANK, N.A., as a Managing Agent and as the Administrative Agent, MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as a Managing Agent, JP MORGAN SECURITIES INC., as the Syndication Agent, BANK OF AMERICA NT&SA, as a Managing Agent, the Banks identified as Agents on the signature pages thereof, as Agents, and the Banks identified as Co-Agents on the signature pages thereof, as Co-Agents.

AMENDMENT NO. 3 to the \$311 MILLION CREDIT AGREEMENT, dated as of July 1, 1994, as amended, (the "Subsidiary Facility") among VIACOM CABLEVISION OF DAYTON INC., WNYT INC., WMZQ INC., WVIT INC., AND VIACOM INTERNATIONAL INC., each a Delaware corporation (collectively "Subsidiary Borrowers"), each of the several Banks, THE BANK OF NEW YORK, as a Managing Agent and as the Documentation Agent, CITIBANK, N.A., as a Managing Agent and as the Administrative Agent, MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as a Managing Agent, JP MORGAN SECURITIES INC., as the Syndication Agent, BANK OF AMERICA NT&SA, as a Managing Agent, the Banks identified as Agents of the signature pages thereof, as Agents, and the Banks identified as Co-Agents on the signature pages thereof, as Co-Agents.

WITNESSETH:

WHEREAS, Viacom, Viacom International Inc., a wholly-owned subsidiary of Viacom ("VII"), Viacom International Services Inc., a wholly-owned subsidiary of VII ("VII Services"), Tele-Communications Inc. ("TCI"), and TCI Communications Inc. ("TCI Sub"), a wholly-owned subsidiary of TCI, have entered into a series of agreements ("the Transaction Documents", which are listed on Schedule I attached hereto) pursuant to which (i) VII will convey to VII Services proceeds from the \$1.7 billion bank debt described below and all of its assets relating to business operations other than the cable television business (the "Non Cable Businesses"), and VII Services will assume all of VII's liabilities (including its existing public debt and bank debt) other than the \$1.7 Billion bank debt described below and liabilities relating to the cable television business (the "Cable Business"), (ii) VII will distribute the stock of VII Services to Viacom (the "First Distribution"), (iii) VII, after giving

effect to the First Distribution, will be solely engaged in the Cable Business and VII will be recapitalized with new VII Class A common stock, (iv) the Class A common stock of VII will be split off to the shareholders of Viacom in an exchange offer (the "Exchange Offer") in which shares of Viacom common stock will be exchanged for shares of VII Class A common stock, (v) VII prior to the expiration of the Exchange Offer will borrow \$1.7 billion from a syndicate of lenders, the proceeds of which will be deposited in a secured collateral account until the date of consummation of the Exchange Offer when VII will transfer such proceeds to VII Services as described above, and (vi) immediately after the split off, TCI has agreed to purchase Class B common stock of VII and the Class A common stock will be automatically converted upon such purchase into preferred stock, and (vii) VII will no longer be a subsidiary of Viacom and will be renamed TCI Pacific Communications Inc. and VII Services will be renamed Viacom International Inc. (collectively the "Cable Transaction"); and

WHEREAS, Viacom and the Subsidiary Borrowers have requested certain amendments to be made to and certain consents obtained with respect to certain provisions of the Parent Facility and the Subsidiary Facility, respectively; and

WHEREAS, the parties who have heretofore entered into the Parent Facility and the Subsidiary Facility now desire to amend certain provisions of such agreements and for the Majority Banks to consent to the waiver of the application of certain other provisions in connection with the Cable Transaction,

NOW THEREFORE, the parties hereto agree as follows:

SECTION 1. Amendments.

(a) The definition of Net Cash Proceeds in Section 1.1 of the Parent Facility is hereby amended by adding the following provisions: "(v) with reference to proceeds from any sale of Spelling Entertainment Group Inc., the net amount paid by the Borrower for the portion of Virgin Interactive Entertainment Limited ("VIEL") not theretofore directly or indirectly owned by the Borrower, and (vi) with reference to proceeds from any sale of Spelling Entertainment Group Inc., that portion of the Net Cash Proceeds attributable to repayment of Indebtedness owed by Spelling Entertainment Group Inc. to the Borrower;"

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(b) Section 2.3 (b) of the Parent Facility is hereby amended by replacing it in its entirety with the following:

"2.3(b) Mandatory Reductions. The Borrower shall reduce the Short-Term Loan Commitment of each Bank by (i) each Bank's Ratable Portion of the amount received by the Borrower from VII Services representing the loan proceeds from VII in connection with the consummation of the Exchange Offer (the "Cable Transaction Effective Date") and (ii) in the event that the Cable Transaction Effective Date has not occurred by May 31, 1996, by each Bank's Ratable Portion of the amount by which any Net Cash Proceeds received by the Borrower from the sale of Spelling Entertainment Group Inc. (or any of its subsidiaries other than VIEL) exceed \$150 million. After the Short-Term Loan Commitments have been reduced to \$0 and all Short-Term Loans have been repaid, no mandatory reductions of any Commitment shall be required from Net Cash Proceeds".

(c) Section 10.6 of the Parent Facility is hereby amended by replacing it in its entirety with the following:

"10.6. Subsidiary Indebtedness. The Borrower shall not permit any of its Subsidiaries, other than the Guarantor Subsidiary, to incur Indebtedness for borrowed money other than (a) the Subsidiary Loans (as defined in the Subsidiary Facility), (b) under existing facilities identified on Schedule 10.6 to this Amendment No. 4 or any replacement facilities thereto which in the aggregate do not exceed the amounts of the commitments on such Schedule and (c) Indebtedness for borrowed money in an aggregate amount at any time outstanding of not more than \$300 million; provided, however, the aggregate amount of Indebtedness for borrowed money scheduled to mature earlier than six months after the Commitment Termination Date at any time permitted to be outstanding under 10.6(c) and 10.7(b) may not exceed \$300 million."

(d) Section 10.7 of the Parent Facility is hereby amended by replacing it in its entirety with the following:

"10.7. Other Restrictions on Indebtedness. The Borrower shall not, and shall not permit the Guarantor Subsidiary to, incur Indebtedness for borrowed money maturing earlier than six months after the Commitment Termination Date other than (a) Commercial Paper and (b) up to \$300 million at any time outstanding (less the aggregate amount outstanding under 10.6(c))

scheduled to mature earlier than six months after the Commitment Termination Date) and on terms no more onerous than the terms hereof".

(e) Section 7.5 of the Subsidiary Facility is hereby amended by replacing it in its entirety with the following:

"7.5 Other Restrictions on Indebtedness. No Subsidiary Borrower shall incur Indebtedness for borrowed money maturing earlier than six months after the Commitment Termination Date other than (a) Commercial Paper and (b) up to \$300 million at any time outstanding (less the aggregate amount outstanding scheduled to mature earlier than six months after the Commitment Termination Date under 10.6(c) of the Parent Facility)".

(f) Section 13.1 of the Parent Facility is hereby amended by deleting the word "or" preceding clause (f) thereof and inserting the following new clause (g): "or (g) amend clause (i) of Section 13.6".

(g) Section 10.1 of the Subsidiary Facility is hereby amended by deleting the word "or" preceding clause (f) and inserting the following new clause (g): "or (g) amend clause (i) of Section 10.6".

(h) Clause (i) of Section 13.6 of the Parent Facility is hereby amended to read in its entirety as follows: "the Borrower shall have no right to assign its rights or obligations hereunder or any interest herein (and any such purported assignment shall be void) without the prior consent of the Banks except in connection with any (x) merger or consolidation permitted under Section 10.2 or (y) merger, consolidation or sale of assets consented to by the Majority Banks".

(i) Clause (i) of Section 10.6 of the Subsidiary Facility is hereby amended to read in its entirety as follows: "no Subsidiary Borrower shall have the right to assign its rights or obligations hereunder or any interest herein (and any such purported assignment shall be void) without the prior consent of the Banks, except in connection with any (x) merger or consolidation permitted under Section 10.2 of the Parent Facility or (y) merger, consolidation or sale of assets consented to by the Majority Banks".

SECTION 2. Consents. In connection with the Cable Transaction:

(a) On the Cable Transaction Effective Date, the Guarantor Subsidiary may assign all of its rights and obligations under the VII Guaranty to VII Services (which will change its name to Viacom International Inc.) if in connection therewith VII Services (i) assumes all of the obligations of VII under the VII Guaranty and (ii) receives an assignment of the Non Cable Businesses. VII Services will become the Guarantor Subsidiary and VII will be released from all of its obligations thereunder.

(b) On the Cable Transaction Effective Date, the Subsidiary Loan made to VII under the Subsidiary Facility may be assigned to VII Services if in connection therewith VII Services (i) assumes all of the obligations of VII under the Subsidiary Loan and (ii) receives an assignment of the Non Cable Businesses. VII Services will become a Subsidiary Borrower under the Subsidiary Facility and VII will be released from all of its obligations thereunder.

(c) Prior to the expiration of the Exchange Offer, VII may borrow \$1.7 billion from a syndicate of banks on terms permitted pursuant to the Transaction Documents substantially in the form of those in effect at the date hereof and may grant such banks a Lien on such funds until they are released to VII Services on the date of consummation of the Exchange Offer and a lien on rights under the Subscription Agreement referred to in Schedule I.

(d) After the Cable Transaction Effective Date, VII Services may hold certain cable franchises for the benefit of VII until regulatory approvals are obtained and may assign the receivables related to such franchises to the banks lending to VII.

(e) For purposes of the Parent Facility and the Subsidiary Facility, the \$1.7 Billion loan to VII shall not be considered Indebtedness of the Borrower or a Subsidiary Borrower.

Upon the execution and delivery hereof of the Majority Banks, the Majority Banks shall have consented to each of the foregoing relating to the Cable Transaction and, to the extent any of the matters described in (a) - (e) above are otherwise inconsistent with the terms of the Parent Facility or Subsidiary Facility, as hereby amended, this Amendment shall constitute a waiver of the provisions thereof to the extent necessary to permit the Cable Transaction.

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SECTION 3. Assumption of Liabilities. As of the Cable Transaction Effective Date, VII Services hereby expressly assumes and agrees to pay, satisfy and perform when due all liabilities of VII under each Loan Document to which VII is a party. For purposes of clarity, VII's obligations under the \$1.7 billion of bank debt described above will not be assumed by VII Services.

SECTION 4. Effectiveness. This Amendment will be effective upon the execution hereof by each of Viacom, each Subsidiary Borrower, VII and VII Services and the Majority Banks.

SECTION 5. Representations and Warranties. Each of Viacom, the Subsidiary Borrowers and the Guarantor Subsidiary hereby represents and warrants that (i) as of the date hereof, both before and after giving effect to this Amendment, and (ii) as of the date of, and after giving effect to consummation of, the Cable Transaction, no Default or Event of Default shall exist or be continuing under the Parent Facility or the Subsidiary Facility.

SECTION 6. Miscellaneous. (a) Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in each of the Parent Facility and the Subsidiary Facility.

(b) Except as amended or waived hereby, all of the terms of each of the Parent Facility and the Subsidiary Facility shall remain and continue in full force and effect and are hereby confirmed in all respects.

(c) This Amendment shall be a Loan Document for the purposes of the Parent Facility and the Subsidiary Facility.

(d) This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto were upon the same instrument. Delivery of an executed counterpart of a signature page of this Amendment by telecopier shall be effective as delivery of a manually executed counterpart of this Amendment.

(e) THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 7. Covenant. Viacom shall within two Business Days following

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the Cable Transaction Effective Date deliver to the Documentation Agent, dated as of the Cable Transaction Effective Date, as to VII Services only:

(i) each of the documents referred to in Section 6.1(a), (b) and (c)

of the Parent Facility;

(ii) each of the documents referred to in Section 4.1(a), (b) and (c) of the Subsidiary Facility;

(iii) a favorable opinion of Shearman & Sterling, special counsel to the Loan Parties, with respect to this Amendment substantially to the same effect as contemplated by paragraph 1 of Exhibit E-1 to the Parent Agreement and paragraph 1 of Exhibit E-1 to the Subsidiary Agreement; and

(iv) a favorable opinion of Philippe P. Dauman, General Counsel to the Loan Parties, with respect to this Amendment substantially to the same effect as contemplated by paragraphs 1 - 6 of Exhibit E-2 to the Parent Agreement and paragraphs 1 - 6 of Exhibit E-2 to the Subsidiary Agreement.

SECTION 8. Guarantor Subsidiary Confirmation. By signing below, the Guarantor Subsidiary hereby agrees to the terms of the foregoing Amendment and confirms that the VII Guarantee remains in full force and effect.

SECTION 9. Viacom Inc. Confirmation. By signing below, Viacom Inc., as guarantor under the Parent Guaranty ("Parent Guarantor"), hereby agrees to the terms of the foregoing Amendment and confirms that the Parent Guaranty remains in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

VIACOM INC., as Borrower and Parent Guarantor

By:/s/ Vaughn A. Clarke

Name: Vaughn A. Clarke
Title: Senior Vice President

VIACOM INTERNATIONAL INC., as a Subsidiary
Borrower and as a Guarantor Subsidiary

7

By:/s/ Vaughn A. Clarke

Name: Vaughn A. Clarke
Title: Senior Vice President

On behalf of the following Subsidiary Borrowers:

VIACOM CABLEVISION OF DAYTON INC.,

WNYT INC.,

WMZQ INC. and

WVIT INC.,

By:/s/ Vaughn A. Clarke

Name: Vaughn A. Clarke
Title: Senior Vice President

VIACOM INTERNATIONAL SERVICES INC.

By:/s/ Vaughn A. Clarke

Name: Vaughn A. Clarke
Title: Senior Vice President

CREDIT SUISSE

By:/s/ J. Hamilton Crawford

Name: J. Hamilton Crawford
Title: Associate

By:/s/ Michael C. Mast

Name: Michael C. Mast
Title: Member of Senior Mgmt.

8

SOCIETE GENERALE

By:/s/ Elaine I. Khalil

Name: Elaine I. Khalil
Title: Vice President

9

THE BANK OF NEW YORK

By:/s/ Geoffrey C. Brooks

Name: Geoffrey C. Brooks
Title: Vice President

THE BANK OF TOKYO TRUST COMPANY

By:/s/ John P. Judge

Name: John P. Judge
Title: Vice President

FIRST INTERSTATE BANK OF WASHINGTON

By:/s/ Susan Hendrixson

Name: Susan Hendrixson
Title: Vice President

UNION BANK OF SWITZERLAND

By:/s/ Stephen A. Cayer

Name: Stephen A. Cayer
Title: Assistant Treasurer

By:/s/ Peter B. Yearly

Name: Peter B. Yearly
Title: Vice President

THE YASUDA TRUST & BANKING CO., LTD

By:/s/ Gerald Gill

Name: Gerald Gill
Title: Vice President

10

BAYERISCHE VEREINSBANK AG

By:/s/ John Carlson

Name: John Carlson
Title: Vice President

By:/s/ Sylvia Chang

Name: Sylvia Chang
Title: Vice President

MITSUBISHI BANK, LTD.

By:/s/ Paula Mueller

Name: Paula Mueller
Title:

THE MITSUBISHI TRUST AND BANKING
CORPORATION

By:/s/ Patricia Loret De Mola

Name: Patricia Loret De Mola
Title: Senior Vice President

NATWEST BANK, N.A.

By:/s/ Michael A. Cerullo

Name: Michael A. Cerullo

Title: Vice President

11

GULF INTERNATIONAL BANK BSC

By:/s/ Haytham F. Halil

Name: Haytham F. Halil
Title: Assistant Vice President

By:/s/ Abdel-Fattah Tahoun

Name: Haytham F. Halil
Title: Senior Vice President

PNC BANK, NATIONAL ASSOCIATION

By:/s/ Karen M. Wolters

Name: Karen M. Wolters
Title: Vice President

THE SUMITOMO BANK, LTD.

By:/s/ S. Higashi

Name: S. Higashi
Title: Joint General Manager

THE SUMITOMO TRUST AND BANKING CO., LTD.

By:/s/ Suraj P. Bhatia

Name: Suraj P. Bhatia
Title: Senior Vice President
Mgr. Corp. Finance Dept.

CORESTATES BANK, N.A.

By:/s/ Edward L. Kittrell

Name: Edward L. Kittrell
Title: Vice President

12

BANQUE FRANCAISE DU COMMERCE EXTERIEUR

By:/s/ Peter Karl Harris

Name: Peter Karl Harris
Title: Vice President

By: /s/ William C. Maier

Name: William C. Maier
Title: VP-Group Manager

THE SAKURA BANK, LTD.

By: /s/ Hiroshi Shimazaki

Name: Hiroshi Shimazaki
Title: Senior Vice President
& Manager

DEN DANSKE BANK

By: /s/ Mogens Sondergaard

Name: Mogens Sondergaard
Title: Vice President

By: /s/ Bent V. Christensen

Name: Bent V. Christensen
Title: Vice President

THE INDUSTRIAL BANK OF JAPAN, LTD.

By: /s/ Jeffrey Cole

Name: Jeffrey Cole
Title: Senior Vice President

13

ROYAL BANK OF CANADA

By: /s/ Cynthia K. Wong

Name: Cynthia K. Wong
Title: Manager

THE SANWA BANK, LTD.

By: /s/ Dominic J. Sorresso

Name: Dominic J. Sorresso
Title: Vice President

TOKAI BANK, LTD.

By:/s/ Stuart Schulman

Name: Stuart Schulman
Title: Senior Vice President

CHEMICAL BANK

By:/s/ John J. Huber III

Name: John J. Huber III
Title: Managing Director

THE DAI-CHI KANGYO BANK, LTD.

By:/s/ Ronald Wolinsky

Name: Ronald Wolinsky
Title: Vice President & Group Leader

14

FIRST HAWAIIAN BANK

By:/s/ William B. Schink

Name: William B. Schink
Title: Vice President

MORGAN GUARANTY TRUST COMPANY OF
NEW YORK

By:/s/ R. BLake Witherington

Name: R. BLake Witherington
Title: Vice President

CITIBANK, N.A.

By:/s/ Margaret C. Ullrich

Name: Margaret C. Ullrich
Title: Vice President

THE NIPPON CREDIT BANK, LTD.

By:/s/ Bernardo E. Correa-Henschke

Name: Bernardo E. Correa-Henschke
Title: Vice President & Manager

RIGGS NATIONAL BANK

By:/s/ David H. Olson

Name: David H. Olson
Title: Vice President

15

FIRST UNION NATIONAL BANK OF
NORTH CAROLINA

By:/s/ Jim F. Redman

Name: Jim F. Redman
Title: Senior Vice President

MELLON BANK, N.A.

By: /s/ G. Luis Ashley

Name: G. Luis Ashley
Title: First Vice President

COMPAGNIE FINANCIERE DE CIC ET DE
L'UNION EUROPEENNE

By:/s/ Brian O'Leary

Name: Brian O'Leary
Title: Vice President

By:/s/ Marcus Edward

Name: Marcus Edward
Title: Vice President

VAN KAMPEN AMERICAN CAPITAL PRIME RATE
INCOME TRUST

By:/s/ Jeffrey W. Maillet

Name: Jeffrey W. Maillet
Title: Sr. Vice Pres. &
Portfolio Manager

CIBC, INC.

By:/s/ John Tyler

Name: John Tyler
Title: Vice President

THE CHASE MANHATTAN BANK

By:/s/ Bruce Langenkamp

Name: Bruce Langenkamp
Title: Vice President

THE BANK OF NOVA SCOTIA

By:/s/ Vincent Fitzgerald, Jr.

Name: Vincent Fitzgerald, Jr.
Title: Authorized Signatory

THE FUJI BANK, LTD.

By:/s/ Katsunori Nozawa

Name: Katsunori Nozawa
Title: Vice President & Manager

THE LONG-TERM CREDIT BANK OF JAPAN, LTD.

By:/s/ John A. Krob

Name: John A. Krob
Title: Deputy General Manager

BANQUE NATIONALE DE PARIS

By:/s/ John S. Mitchell

Name: John S. Mitchell
Title: Vice President

By:/s/ Nancy Stengel

Name: Nancy Stengel
Title: Assistant Treasurer

BANK OF HAWAII

By:/s/ J. Bryan Searce

Name: J. Bryan Searce
Title: Vice President

BANK OF AMERICA

By:/s/ Amy S. Trapp

Name: Amy S. Trapp
Title: Vice President

NATIONSBANK OF TEXAS, N.A.

By:/s/ Chad E. Coben

Name: Chad E. Coben
Title: Vice President

18

DEUTSCHE BANK

By:/s/ Steven M. Godeke

Name: Steven M. Godele
Title: Vice President

By:/s/ Bina R. Dabbah

Name: Bina R. Dabbah
Title: Vice President

UNION BANK

By:/s/ Gabriel A. Renga

Name: Gabriel A. Renga
Title: Senior Vice President

THE TORONTO DOMINION BANK

By:/s/ Neva Nesbitt

Name: Neva Nesbitt
Title: Manager, Credit Administration

FLEET NATIONAL BANK OF CONNECTICUT

By:/s/ Stephen Charles

Name: Stephen Charles
Title: Senior Vice President

BARCLAYS BANK PLC

By:/s/ James K. Downy

Name: James K. Downy
Title: Associate Director

19

BANK BRUSSELS LAMBERT, NY BRANCH

By:/s/ Gerrit Verlodt

Name: Gerrit Verlodt
Title: Senior Vice President

By:/s/ Dominick H.J. Vangaever

Name: Dominick H.J. Vangaever
Title: Vice President, Credit Dept.

BANK OF MONTREAL

By:/s/ Yvonne Bos

Name: Yvonne Bos
Title: Managing Director

CREDIT LYONNAIS

By:/s/ James E. Morris

Name: James E. Morris
Title: Vice President

20

Schedule I

1. Parents Agreement, dated as of July 24, 1995, among Viacom, TCI and TCI Sub.
2. Implementation Agreement, dated as of July 24, 1995, between VII and VII Services.
3. Subscription Agreement, dated as of July 24, 1995, among VII, TCI and TCI Sub.

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PRICING
AMENDMENT

This Amendment ("Amendment"), dated as of November 17, 1995, shall be:

AMENDMENT NO. 5 to the \$6.489 BILLION CREDIT AGREEMENT, dated as of July 1, 1994, as amended, ("Parent Facility") among VIACOM INC., a Delaware corporation ("Viacom"), each of the several Banks, THE BANK OF NEW YORK, as a Managing Agent and as the Documentation Agent, CITIBANK, N.A., as a Managing Agent and as the Administrative Agent, MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as a Managing Agent, JP MORGAN SECURITIES INC., as the Syndication Agent, BANK OF AMERICA NT&SA, as a Managing Agent, the Banks identified as Agents on the signature pages thereof, as Agents, and the Banks identified as Co-Agents on the signature pages thereof, as Co-Agents.

AMENDMENT NO. 4 to the \$311 MILLION CREDIT AGREEMENT, dated as of July 1, 1994, as amended, (the "Subsidiary Facility") among VIACOM CABLEVISION OF DAYTON INC., WNYT INC., WMZQ INC., WVIT INC., AND VIACOM INTERNATIONAL INC., each a Delaware corporation (collectively "Subsidiary Borrowers"), each of the several Banks, THE BANK OF NEW YORK, as a Managing Agent and as the Documentation Agent, CITIBANK, N.A., as a Managing Agent and as the Administrative Agent, MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as a Managing Agent, JP MORGAN SECURITIES INC., as the Syndication Agent, BANK OF AMERICA NT&SA, as a Managing Agent, the Banks identified as Agents of the signature pages thereof, as Agents, and the Banks identified as Co-Agents on the signature pages thereof, as Co-Agents.

WITNESSETH:

WHEREAS, the parties who have heretofore entered into the Parent Facility and the Subsidiary Facility now desire to amend certain provisions of such agreements to provide for a change in the Applicable Eurodollar Rate Margin and Commitment Fees payable thereunder,

NOW THEREFORE, the parties hereto agree as follows:

SECTION 1. Amendments.

(a) The definition of Applicable Eurodollar Rate Margin in Section 1.1 of the Parent Facility and Section 1.1 of the Subsidiary Facility

are hereby amended by deleting the tables appearing therein and replacing them in each case with the following table:

CREDIT RATING	MARGIN
---------------	--------

-----	-----
A-/A3 or better	0.300%
BBB+/Baa1	0.375%
BBB/Baa2	0.450%
BBB-/Baa3	0.500%
BB+/Ba1	0.750%
BB/Ba2	0.875%
BB-/Ba3 or lower	1.250%

(b) Section 5.4 (a) of the Parent Facility and Section 3.4(a) of the Subsidiary Facility are hereby amended by deleting the tables appearing therein and replacing them in each case with the following table:

CREDIT RATING	COMMITMENT FEE
-----	-----
A-/A3 or better	0.1250%
BBB+/Baa1	0.1500%
BBB/Baa2	0.1875%
BBB-/Baa3	0.2000%
BB+/Ba1	0.3125%
BB/Ba2	0.3500%
BB-/Ba3 or lower	0.4000%

SECTION 2. Effectiveness. This Amendment will be effective upon the execution hereof by each of Viacom, each Subsidiary Borrower, VII and VII Services and each of the Banks.

SECTION 3. Representations and Warranties. Each of Viacom, the Subsidiary Borrowers and the Guarantor Subsidiary hereby represents and warrants that as of the date hereof, both before and after giving effect to this Amendment no Default or Event of Default shall exist or be continuing under the Parent Facility or the Subsidiary Facility.

SECTION 4. Miscellaneous. (a) Capitalized terms used herein and not

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otherwise defined herein shall have the meanings ascribed to them in each of the Parent Facility and the Subsidiary Facility.

(b) Except as amended hereby, all of the terms of each of the Parent Facility and the Subsidiary Facility shall remain and continue in full force and effect and are hereby confirmed in all respects.

(c) This Amendment shall be a Loan Document for the purposes of the Parent Facility and the Subsidiary Facility.

(d) This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto were upon the same instrument. Delivery of an executed counterpart of a signature page of this Amendment by telecopier shall be effective as delivery of a manually executed counterpart of this Amendment.

(e) THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 5. Guarantor Subsidiary Confirmation. By signing below, the Guarantor Subsidiary hereby agrees to the terms of the foregoing Amendment and confirms that the VII Guarantee remains in full force and effect.

SECTION 6. Viacom Inc. Confirmation. By signing below, Viacom Inc.,

as guarantor under the Parent Guaranty ("Parent Guarantor"), hereby agrees to the terms of the foregoing Amendment and confirms that the Parent Guaranty remains in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

VIACOM INC., as Borrower and Parent Guarantor

By: /s/ Vaughn A. Clarke

Name: Vaughn A. Clarke
Title: Senior Vice President

3

VIACOM INTERNATIONAL INC., as a Subsidiary Borrower
and as a Guarantor Subsidiary

By: /s/ Vaughn A. Clarke

Name: Vaughn A. Clarke
Title: Senior Vice President

On behalf of the following Subsidiary Borrowers:

VIACOM CABLEVISION OF DAYTON INC.,

WNYT INC.,

WMZQ INC. and

WVIT INC.,

By: /s/ Vaughn A. Clarke

Name: Vaughn A. Clarke
Title: Senior Vice President

VIACOM INTERNATIONAL SERVICES INC.

By: /s/ Vaughn A. Clarke

Name: Vaughn A. Clarke
Title: Senior Vice President

CREDIT SUISSE

By: /s/ J. Hamilton Crawford

Name: J. Hamilton Crawford
Title: Associate

4

SOCIETE GENERALE

By:/s/ Elaine I. Khalil

Name: Elaine I. Khalil
Title: Vice President

THE BANK OF NEW YORK

By:/s/ Geoffrey C. Brooks

Name: Geoffrey C. Brooks
Title: Vice President

THE BANK OF TOKYO TRUST COMPANY

By:/s/ John P. Judge

Name: John P. Judge
Title: Vice President

FIRST INTERSTATE BANK OF WASHINGTON

By:/s/ Susan Hendrixson

Name: Susan Hendrixson
Title: Vice President

5

UNION BANK OF SWITZERLAND

By:/s/ Stephen A. Cayer

Name: Stephen A. Cayer
Title: Assistant Treasurer

By:/s/ Peter B. Yearly

Name: Peter B. Yearly
Title: Vice President

THE YASUDA TRUST & BANKING CO., LTD

By:/s/ Gerald Gill

Name: Gerald Gill
Title: Vice President

BAYERISCHE VEREINSBANK AG

By:/s/ John Carlson

Name: John Carlson
Title: Vice President

By:/s/

Name:
Title: Vice President

LLOYDS BANK, PLC

By:/s/ Paul D. Brianente

Name: Paul D. Brianente
Title: Vice President

By:/s/ Theodore R. Walser

Name: Theodore R. Walser
Title: Senior Vice President

6

MITSUBISHI BANK, LTD.

By:/s/ Paula Mueller

Name: Paula Mueller
Title:

THE MITSUBISHI TRUST AND BANKING
CORPORATION

By:/s/ Patricia Loret De Mola

Name: Patricia Loret De Mola
Title: Senior Vice President

NATWEST BANK, N.A.

By:/s/ Michael A. Cerullo

Name: Michael A. Cerullo
Title: Vice President

PNC BANK, NATIONAL ASSOCIATION

By:/s/ Karen M. Wolters

Name: Karen M. Wolters
Title: Vice President

THE SUMITOMO TRUST AND BANKING CO., LTD.

By:/s/ Suraj P. Bhatia

Name: Suraj P. Bhatia
Title: Senior VP, Mgr. Corp.
Finance Dept

7

THE SUMITOMO BANK, LTD.

By:/s/ S. Higashi

Name: S. Higashi
Title: Joint General Manager

CORESTATES BANK, N.A.

By:/s/ Edward L. Kittrell

Name: Edward L. Kittrell
Title: Vice President

BANQUE FRANCAISE DU COMMERCE EXTERIEUR

By:/s/ Peter Karl Harris

Name: Peter Karl Harris
Title: Vice President

By:/s/ William C. Maier

Name: William C. Maier
Title: VP-Group Manager

THE NIPPON CREDIT BANK, LTD.

By:/s/ Bernardo E. Correa-Henschke

Name: Bernardo E. Correa-Henschke
Title: Vice President & Manager

THE SAKURA BANK, LTD.

By:/s/ Hiroshi Shimazaki

Name: Hiroshi Shimazaki
Title: Senior Vice President
& Manager

8

DEN DANSKE BANK

By:/s/ Mogens Sondergaard

Name: Mogens Sondergaard
Title: Vice President

By:/s/ Bent V. Christensen

Name: Bent V. Christensen
Title: Vice President

THE ROYAL BANK OF CANADA

By:/s/ Cynthia K. Wong

Name: Cynthia K. Wong
Title: Manager

THE SANWA BANK, LTD.

By: /s/ Dominic J. Sorresso

Name: Dominic J. Sorresso
Title: Vice President

TOKAI BANK, LTD.

By:/s/ Stuart Schulman

Name: Stuart Schulman
Title: Senior Vice President

CHEMICAL BANK

By:/s/ John J. Huber III

Name: John J. Huber III
Title: Managing Director

9

THE DAI-CHI KANGYO BANK, LTD.

By:/s/ Ronald Wolinsky

Name: Ronald Wolinsky
Title: Vice President & Group Leader

FIRST HAWAIIAN BANK

By:/s/ William B. Schink

Name: William B. Schink
Title: Vice President

MORGAN GUARANTY TRUST COMPANY OF
NEW YORK

By:/s/ R. BLake Witherington

Name: R. BLake Witherington
Title: Vice President

CITIBANK, N.A.

By:/s/ Margaret C. Ullrich

Name: Margaret C. Ullrich
Title: Vice President

RIGGS NATIONAL BANK

By:/s/ David H. Olson

Name: David H. Olson
Title: Vice President

10

FIRST UNION NATIONAL BANK OF
NORTH CAROLINA

By:/s/ Jim P. Wedman

Name: Jim P. Wedman
Title: Senior Vice President

MELLON BANK, N.A.

By: /s/ G. Luis Ashley

Name: G. Luis Ashley
Title: First Vice President

COMPAGNIE FINANCIERE DE CIC ET DE L'UNION EUROPEENNE

By:/s/ Brian O'Leary

Name: Brian O'Leary
Title: Vice President

By:/s/ Marcus Edward

Name: Marcus Edward
Title: Vice President

VAN KAMPEN AMERICAN CAPITAL PRIME RATE INCOME TRUST

By:/s/ Jeffrey W. Maillet

Name: Jeffrey W. Maillet
Title: Sr. Vice Pres.
& Portfolio Mgr.

11

CIBC, INC.

By:/s/ John Tyler

Name: John Tyler
Title: Vice President

THE BANK OF NOVA SCOTIA

By:/s/ Vincent Fitzgerald, Jr.

Name: Vincent Fitzgerald, Jr.
Title: Authorized Signatory

THE FUJI BANK, LTD.

By:/s/ Katsunori Nozawa

Name: Katsunori Nozawa
Title: Vice President & Manager

THE LONG-TERM CREDIT BANK OF JAPAN, LTD.

By:/s/ John A. Krob

Name: John A. Krob
Title: Deputy General Manager

BANQUE NATIONALE DE PARIS

By:/s/ John S. McGill

Name: John S. McGill
Title: Vice President

By:/s/ Nancy L. Stengel

Name: Nancy L. Stengel
Title: Assistant Treasurer

12

BANK OF HAWAII

By:/s/ J. Bryan Scarce

Name: J. Bryan Scarce
Title: Vice President

BANK OF AMERICA

By:/s/ Amy S. Trapp

Name: Amy S. Trapp
Title: Vice President

NATIONSBANK OF TEXAS, N.A.

By:/s/ Chad E. Coben

Name: Chad E. Coben
Title: Vice President

DEUTSCHE BANK

By:/s/ Steven M. Godeke

Name: Steven M. Godele
Title: Vice President

By:/s/ Bina R. Dabbah

Name: Bina R. Dabbah
Title: Vice President

UNION BANK

By:/s/ Gabriel A. Renga

Name: Gabriel A. Renga
Title: Senior Vice President

13

THE TORONTO DOMINION BANK

By:/s/ Neva Nesbitt

Name: Neva Nesbitt
Title: Manager, Credit Administration

By:/s/ Cindy D. Hewitt

Name: Cindy D. Hewitt
Title: Vice President

FLEET NATIONAL BANK OF CONNECTICUT

By:/s/ Stephen Charles

Name: Stephen Charles
Title: Senior Vice President

BARCLAYS BANK PLC

By:/s/ James K. Downy

Name: James K. Downy
Title: Associate Director

BANK BRUSSELS LAMBERT

By:/s/ Dominick H. J. Vangaever

Name: Dominick H. J. Vangaever
Title: Vice President

BANK OF MONTREAL

By:/s/ Yvonne Bos

Name: Yvonne Bos
Title: Managing Director

14

CREDIT LYONNAIS

By:/s/ James E. Morris

Name: James E. Morris
Title: Vice President

15

AMENDMENT NO. 1

AMENDMENT NO. 1, dated as of August 5, 1994 (this "Amendment"), to:

(i) the CREDIT AGREEMENT, dated as of July 1, 1994 (the "Parent Facility"), among VIACOM INC., a Delaware corporation ("Viacom"), each of the several Banks identified on the signature pages thereof, THE BANK OF NEW YORK, as a Managing Agent and as the Documentation Agent, CITIBANK, N.A., as a Managing Agent and as the Administrative Agent, MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as a Managing Agent, JP MORGAN SECURITIES INC., as the Syndication Agent, BANK OF AMERICA NT&SA, as a Managing Agent, the Banks identified as Agents on the signature pages thereof, as Agents, and the Banks identified as Co-Agents on the signature pages thereof, as Co-Agents; and

(ii) the CREDIT AGREEMENT, dated as of July 1, 1994 (the "Subsidiary Facility"), among VIACOM CABLEVISION OF DAYTON INC., WNYT INC., WMZQ INC., WVIT INC. and VIACOM INTERNATIONAL INC., each a Delaware corporation (collectively, "Subsidiary Borrowers"), each of the several Banks identified on the signature pages thereof, THE BANK OF NEW YORK, as a Managing Agent and as the Documentation Agent, CITIBANK, N.A., as a Managing Agent and as the Administrative Agent, MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as a Managing Agent, JP MORGAN SECURITIES INC., as the Syndication Agent, BANK OF AMERICA NT&SA, as a Managing Agent, the Banks identified as Agents on the signature pages thereof, as Agents, and the Banks identified as Co-Agents on the signature pages thereof, as Co-Agents.

W I T N E S S E T H:

WHEREAS, the parties who have heretofore entered into the Parent Facility and the Subsidiary Facility now desire to effect a general syndication of the Parent Facility and Subsidiary Facility and the related assignment of the outstanding Loans thereunder by amending certain provisions of such agreements; and

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

Amendments

Section 1.1. All references to "Schedule I" in each of the Parent Facility and Subsidiary Facility are hereby amended to refer to Schedule I attached to this Amendment.

Section 1.2. All references to "Schedule II" in each of the Parent Facility and the Subsidiary Facility are hereby amended to refer to the appropriate Schedule II relating to such agreement and attached to this Amendment.

Section 1.3 All references to an "Agent" or a "Co-Agent" shall have the meanings set forth in each of the Parent Facility and Subsidiary Facility.

ARTICLE II

Funding

Section 2.1. Subject to the prior effectiveness of this Amendment, and in order to give effect to the reallocation of the commitments and the outstanding Loans provided for by this Section 2.1, before 11:00 A.M. (New York City time) on August 15, 1994 (the "Effective Date"):

(i) Each lender that is to become a Bank party to either of the Parent Facility or the Subsidiary Facility (each such lender, a "New

Lender") shall make available to the Administrative Agent, for the respective accounts of the Banks that are parties to either of the Parent Facility or the Subsidiary Facility (the "Existing Lenders"), an amount equal to the aggregate of (x) such New Lender's Ratable Portion (as defined in each of the Parent Facility and the Subsidiary Facility, after giving effect to the provisions of Article I of this Amendment (the "Adjusted Ratable Portion")) of the outstanding Loans under (and as defined in) each of the Parent Facility and the Subsidiary Facility, and (y) such New Lender's Adjusted Ratable Portion of the Breakage Amount (as defined below), if any, payable by the New Lenders with respect to each Eurodollar Rate Loan outstanding on the Effective Date (other than any Eurodollar Rate Loans with respect to which the Effective Date is the first day of a new Interest Period); and

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(ii) Promptly thereafter (but in any event on the same day), the Administrative Agent shall cause to be distributed in like funds to each Existing Lender, for the account of its Applicable Lending Office, such Existing Lender's Ratable Portion (as defined in each of the Parent Facility and the Subsidiary Facility, but without giving effect to the provisions of Article I of this Agreement (the "Unadjusted Ratable Portion")) of (x) the amount paid by the New Lenders pursuant to clause (i) of this Section 2.1 in respect of the reallocation of loans and (y) the Breakage Amount, if any, paid by the New Lenders.

Section 2.2. Subject to the prior effectiveness of this Amendment, before 11:00 A.M. (New York City time) on the Effective Date:

(i) Each Existing Lender shall make available to the Administrative Agent, for the respective accounts of the New Lenders, an amount equal to the aggregate of (x) such Existing Lender's Unadjusted Ratable Portion of the Breakage Amount (as defined below), if any, payable by the Existing Lenders, and (y) the Participation Fee (as defined below) payable by such Existing Lender; and

(ii) Promptly thereafter (but in any event on the same day), the Administrative Agent shall cause to be distributed in like funds to each New Lender, for the account of its Applicable Lending Office, such New Lender's Adjusted Ratable Portion of the (x) Breakage Amount, if any, paid by the Existing Lenders and (y) the aggregate of the Participation Fees paid by the Existing Lenders.

Section 2.3. The "Breakage Amount" with respect to each Eurodollar Rate Loan shall be the amount calculated in accordance with the following formula:

Principal Amount x [(New LIBOR - Old LIBOR)/360] x Number of Days
Remaining

where:

Principal Amount = The aggregate of the Adjusted
Ratable Portions of the New Lenders of
the applicable Eurodollar Rate Loan

New LIBOR = Eurodollar Rate determined in respect of
such Loan for the Interest Period
commencing on the Effective Date

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Old LIBOR = Eurodollar Rate in effect with respect to such Loan
immediately prior to the Effective Date

Number of Days Remaining = Number of days remaining in
the Interest Period applicable to such Loan

If such amount is a negative number, the absolute value of such amount shall be payable only by the New Lenders for the account of the Existing Lenders. If such amount is a positive number, such amount shall be payable only by the Existing Lenders to the New Lenders.

Section 2.3. The "Participation Fee" payable by each Existing Lender shall be the amount set forth with respect to such Existing Lender in the following table:

Category of Existing Lender -----	Amount of Participation Fee -----
Managing Agent	\$67,286.50
Agent	\$64,851.57
Co-Agent	\$46,322.55

Section 2.4 Upon receipt of the monies by the Administrative Agent, as provided in Sections 2.1(i) and 2.2(i), and payment of the monies by the Administrative Agent, as provided in Section 2.1(ii) and 2.2(ii), the Administrative Agent shall make appropriate entries in its books pursuant to Section 13.7(g) of the Parent Facility and Section 10.7(g) of the Subsidiary Facility to reflect the reallocation of Commitments and Loans effected by this Amendment.

Section 2.4. The provisions of this Article are solely for the benefit of the Existing Lenders and the New Lenders and may not be enforced by any other party.

ARTICLE III

Effectiveness

Section 3.1. This Amendment will be effective as of the Effective Date and following the execution thereof by each of Viacom, each Subsidiary Borrower, each Guarantor Subsidiary and each Existing Lender and New Lender identified on the signature pages hereof.

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ARTICLE IV

Representations and Warranties

Section 4.1. Each of the Borrower, the Subsidiary Borrowers and the Subsidiary Guarantors hereby represents and warrants that on the Effective Date, both before and after giving effect to this Amendment, no Default or Event of Default shall exist or be continuing under the Parent Facility or the Subsidiary Facility.

ARTICLE V

Miscellaneous

Section 5.1. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in each of the Parent Facility and the Subsidiary Facility.

Section 5.2. Except as amended hereby, all of the terms of each of the Parent Facility and the Subsidiary Facility shall remain and continue in full force and effect and are hereby confirmed in all respects.

Section 5.3. This Amendment shall be a Loan Document for the purposes of the Parent Facility and Subsidiary Facility.

Section 5.4. This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto were upon the same instrument. Delivery of an executed counterpart of a signature page of this Amendment by telecopier shall be effective as delivery of a manually executed counterpart of this Amendment.

Section 5.5. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

VIACOM INC., as Borrower

By: /s/ Vaughn A. Clarke

Name: Vaughn A. Clarke
Title: Senior Vice
President, Treasurer

VIACOM INTERNATIONAL INC., as a
Subsidiary Borrower and as a Subsidiary
Guarantor

By: /s/ Vaughn A. Clarke

Name: Vaughn A. Clarke
Title: Senior Vice
President, Treasurer

On behalf of the following Subsidiary
Borrowers:

VIACOM CABLEVISION OF DAYTON INC.,

WNYT INC.,

WMZQ INC. and

WVIT INC.

PARAMOUNT COMMUNICATIONS INC., as a
Subsidiary Guarantor

By: /s/ Vaughn A. Clarke

Name: Vaughn A. Clarke
Title: Senior Vice
President, Treasurer

6

EXISTING LENDERS

Managing Agents

THE BANK OF NEW YORK, as Managing Agent, the
Documentation Agent and a Bank

By: /s/ Vincent L. Pacilio

Name: Vincent L. Pacilio
Title: Vice President

CITIBANK, N.A., as Managing Agent, the
Administrative Agent and a Bank

By: /s/ David D. Clark

Name: David D. Clark
Title: Vice President

MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as
Managing Agent and a Bank

By: /s/ Stephen J. Kenneally

Name: Stephen J. Kenneally
Title: Vice President

BANK OF AMERICA NT&SA, as Managing Agent and a
Bank

By: /s/ Nancy L. Sun

Name: Nancy L. Sun
Title: Vice President

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Agents

BANK OF MONTREAL, as Agent and a Bank

By: /s/ Yvonne Bos

Name: Yvonne Bos
Title: Managing Director

THE BANK OF NOVA SCOTIA, as Agent and a Bank

By: /s/ Vince Fitzgerald

Name: Vince Fitzgerald
Title: Vice President

THE BANK OF TOKYO TRUST COMPANY, as Agent and a
Bank

By: /s/ Neal Hoffson

Name: Neal Hoffson
Title: Vice President

BARCLAYS BANK PLC, as Agent and a Bank

By: /s/ James L. Hatter

Name: James L. Hatter
Title: Director

CANADIAN IMPERIAL BANK OF COMMERCE, as Agent and
a Bank

By: /s/ John H. Tyler

Name: John H. Tyler
Title: Vice President

8

THE CHASE MANHATTAN BANK (NATIONAL ASSOCIATION),
as Agent and a Bank

By: /s/ Bruce Langenkamp

Name: Bruce Langenkamp
Title: Vice President

CREDIT LYONNAIS CAYMAN ISLAND BRANCH, as Agent
and a Bank

By: /s/ M. Bernadette Collins

Name: M. Bernadette Collins
Title: Vice President

THE FIRST NATIONAL BANK OF BOSTON, as Agent and a
Bank

By: /s/ Mary M. Barcus

Name: Mary M. Barcus
Title: Vice President

THE FUJI BANK, LIMITED, as Agent and a Bank

By: /s/ Katsunori Nozawa

Name: Katsunori Nozawa
Title: Vice President &
Manager

THE INDUSTRIAL BANK OF JAPAN, LTD., as Agent and
a Bank

By: /s/ Jeffrey Cole

Name: Jeffrey Cole
Title: Vice President

9

LTCB TRUST COMPANY, as Agent and a Bank

By: /s/ Tetsuya Fukunaga

Name: Tetsuya Fukunaga
Title: Vice President

MELLON BANK, N.A., as Agent and a Bank

By: /s/ Sean C. Gannon

Name: Sean C. Gannon
Title: Assistant Vice President

NATIONSBANK OF TEXAS N.A., as Agent and a Bank

By: /s/ Chad E. Coben

Name: Chad E. Coben
Title: Assistant Vice President

SOCIETE GENERALE, as Agent and a Bank

By: /s/ Pascale Hainline

Name: Pascale Hainline
Title: Vice President

THE TORONTO-DOMINION BANK, as Agent and a Bank

By: /s/ David G. Parker

Name: David G. Parker
Title: Mgr. Cr. Admin.

10

UNION BANK, as Agent and a Bank

By: /s/ Bill D. Gooch

Name: Bill D. Gooch
Title: Assistant Vice President

Co-Agents

CREDIT SUISSE, as Co-Agent and a Bank

By: /s/ Michael C. Mast

Name: Michael C. Mast
Title: Member of Senior Management

By: /s/ Scott E. Zoellner

Name: Scott E. Zoellner
Title: Associate

THE DAI-ICHI KANGYO BANK LTD., NEW YORK BRANCH,
as Co-Agent and a Bank

By: /s/ Yosada Onoda

Name: Yosada Onoda
Title: Senior Vice President

THE MITSUBISHI BANK, LIMITED, as Co-Agent and a
Bank

By: /s/ Paula Mueller

Name: Paula Mueller
Title: Vice President

THE MITSUBISHI TRUST & BANKING CORPORATION, as
Co-Agent and a Bank

By: /s/ Patricia Loret de Mola

Name: Patricia Loret de Mola
Title: Senior Vice President

ROYAL BANK OF CANADA, as Co-Agent and a Bank

By: /s/ E. Salazar

Name: E. Salazar
Title: Senior Manager

THE SANWA BANK, LTD., as Co-Agent and a Bank

By: /s/ Masaaki Ariyoshi

Name: Masaaki Ariyoshi
Title: Vice President

THE SUMITOMO BANK, LIMITED, NEW YORK BRANCH, as
Co-Agent and a Bank

By: /s/ Shuntaro Higashi

Name: Shuntaro Higashi
Title: Joint General Manager

UNION BANK OF SWITZERLAND, as Co-Agent and a Bank

By: /s/ James P. Kelleher

Name: James P. Kelleher
Title: Assistant Treasurer

By: /s/ Peter B. Yearly

Name: Peter B. Yearly
Title: Vice President

Syndication Agent

JP MORGAN SECURITIES INC., as the Syndication
Agent

By: /s/ Barbara J. Asch

Name: Barbara J. Asch
Title: Vice President

NEW LENDERS

Lead Managers

CHEMICAL BANK, as Lead Manager and a Bank

By: /s/ John C. Coffin

Name: John C. Coffin
Title: Vice President

13

DEUTSCHE BANK AG, through its New York and/or
Cayman Islands Branch, as Lead Manager and a Bank

By: /s/ John R. Lilly

Name: John R. Lilly
Title: Vice President

By: /s/ Alain M. Bolea

Name: Alain M. Bolea
Title: Director

Participants

THE SAKURA BANK, LIMITED, as Participant and a
Bank

By: /s/ Yasuhiro Terada

Name: Yasuhiro Terada
Title: Senior Vice President & Assistant
General Manager

COMPAGNIE FINANCIERE DE CIC ET DE L'UNION
EUROPEENNE, NEW YORK BRANCH, as Participant and a
Bank

By: /s/ Marcus Edward

Name: Marcus Edward
Title: Vice President

By: /s/ Sean Mounier

Name: Sean Mounier
Title: Vice President

14

PNC BANK N.A., as Participant and a Bank

By: /s/ Karen M. Wolters

Name: Karen M. Wolters
Title: Vice President

FIRST INTERSTATE BANK OF WASHINGTON, N.A., as
Participant and a Bank

By: /s/ Susan Hendrixson

Name: Susan Hendrixson
Title: Vice President

GULF INTERNATIONAL BANK, as Participant and a
Bank

By: /s/ Abdel-Fattah Tahoun

Name: Abdel-Fattah Tahoun
Title: Senior Vice President

By: /s/ Haytham F. Khalil

Name: Haytham F. Khalil
Title: Assistant Vice President

THE TOKAI BANK, LIMITED, NEW YORK BRANCH, as
Participant and a Bank

By: /s/ Masaharu Muto

Name: Masaharu Muto
Title: Deputy General Manager

15

THE YASUDA TRUST AND BANKING CO., LTD., NEW YORK
BRANCH, as Participant and a Bank

By: /s/ Neil T. Chau

Name: Neil T. Chau
Title: First Vice President

Schedule I

List of Lending Offices

Bank
The Bank of New York

Domestic Lending Office:

The Bank of New York
One Wall Street
16th Floor
New York, New York 10286

Eurodollar Lending Office:

Same

Citibank, N.A.

Domestic Lending Office:

Citibank, N.A.
399 Park Avenue
New York, New York 10043

Eurodollar Lending Office:

Same

Morgan Guaranty Trust Company
of New York

Domestic Lending Office:

Morgan Guaranty Trust Company of
New York
60 Wall Street
New York, New York 10260-0060
Attention Loan Department
Telex #177615 MGT VT

Eurodollar Lending Office:

Morgan Guaranty Trust
Company of New York
Nassau, Bahamas Office
c/o J.P. Morgan Services
Loan Operations - 3rd Floor
500 Stanton Christiana Road
Newark, Delaware 19713

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Bank
Bank of America NT&SA

Domestic Lending Office:

Bank of America NT&SA

1850 Gateway Boulevard
4th Floor
Concord, California 94520

Eurodollar Lending Office:

Same

Bank of Montreal

Domestic Lending Office:

Bank of Montreal, Chicago Branch
115 South LaSalle Street
11th Floor
Chicago, IL 60603

Eurodollar Lending Office:

Same

The Bank of Nova Scotia

Domestic Lending Office:

The Bank of Nova Scotia
1 Liberty Plaza
26th Floor
New York, NY 10006

Eurodollar Lending Office:

Same

The Bank of Tokyo Trust Company

Domestic Lending Office:

The Bank of Tokyo Trust Company
1251 Avenue of the Americas
12th Floor
New York, New York 10116

Eurodollar Lending Office:

Same

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Bank
Barclays Bank PLC

Domestic Lending Office:

Barclays Bank
222 Broadway
12th Floor
New York, NY 10038

Eurodollar Lending Office:

Same

Canadian Imperial Bank
of Commerce

Domestic Lending Office:

Canadian Imperial Bank of
Commerce
425 Lexington Avenue
Syndication Department
7th Floor
New York, New York 10017

Eurodollar Lending Office:

The Chase Manhattan Bank (National Association)	Same Domestic Lending Office: The Chase Manhattan Bank (National Association) One Chase Manhattan Plaza New York, New York 10081
Credit Lyonnais Cayman Island Branch	Eurodollar Lending Office: Same Domestic Lending Office: Credit Lyonnais 1301 Avenue of the Americas New York, New York 10019
	Eurodollar Lending Office: Same
	I-3
Bank The First National Bank of Boston	Domestic Lending Office: The First National Bank of Boston 100 Federal Street Mailstop 01-08-08 Boston, MA 02110
	Eurodollar Lending Office: Same
The Fuji Bank, Limited	Domestic Lending Office: The Fuji Bank, Limited Two World Trade Center 79th Floor New York, New York 10048
	Eurodollar Lending Office: Same
The Industrial Bank of Japan, Ltd.	Domestic Lending Office: The Industrial Bank of Japan, Ltd. 245 Park Avenue New York, New York 10167
	Eurodollar Lending Office: Same
LTCB Trust Company	Domestic Lending Office: LTCB Trust Company 165 Broadway 49th Floor

New York, NY 10006

Eurodollar Lending Office:

Same

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Bank
Mellon Bank, N.A.

Domestic Lending Office:

Mellon Bank, N.A.
3 Mellon Bank Center
Room 2304
Pittsburgh, PA 15259

Eurodollar Lending Office:

Same

NationsBank of Texas N.A.

Domestic Lending Office:

NationsBank
901 Miami Street
67th Floor
Dallas, TX 75202

Eurodollar Lending Office:

Same

Societe Generale

Domestic Lending Office:

Societe Generale
50 Rockefeller Plaza
5th Avenue
14th Floor
New York, NY 10020

Eurodollar Lending Office:

Same

The Toronto-Dominion Bank

Domestic Lending Office:

The Toronto-Dominion Bank
909 Fannin Street
Houston, TX 77010

Eurodollar Lending Office:

Same

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Bank
Union Bank

Domestic Lending Office:

Union Bank of California
445 South Figuera Street
15th Floor
Los Angeles, CA 90071

Eurodollar Lending Office:

Same

Credit Suisse

Domestic Lending Office:

Credit Suisse
12 East 49th Street
New York, New York 10017

Eurodollar Lending Office:

Same

The Dai-Ichi Kangyo Bank Ltd., New
York Branch

Domestic Lending Office:

The Dai-Ichi Kangyo Bank
One World Trade Center
Suite 4911
New York, NY 10048

Eurodollar Lending Office:

Same

The Mitsubishi Bank, Limited

Domestic Lending Office:

The Mitsubishi Bank, Ltd.
New York Branch
Two World Financial Center
225 Liberty Street
New York, New York 10281

Eurodollar Lending Office:

Same

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Bank

The Mitsubishi Trust & Banking
Corporation

Domestic Lending Office:

The Mitsubishi Trust & Banking
Corp.
520 Madison Avenue
26th Floor
New York, NY 10022

Eurodollar Lending Office:

Same

Royal Bank of Canada

Domestic Lending Office:

Royal Bank of Canada
New York Branch
c/o Royal Bank of Canada
New York Operations Center
Pierrepont Plaza
300 Cadman Plaza West
Brooklyn, New York 11201-2701

Eurodollar Lending Office:

Same

The Sanwa Bank, Ltd.

Domestic Lending Office:

The Sanwa Bank, Ltd.
Park Avenue Plaza
55 East 52nd Street
24th Floor
New York, New York 10055

Eurodollar Lending Office:

Same

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Bank

The Sumitomo Bank, Limited, New York
Branch

Domestic Lending Office:

The Sumitomo Bank, Limited, New
York Branch
One World Trade Center
Suite 9651
New York, NY 10048

Eurodollar Lending Office:

Same

Union Bank of Switzerland

Domestic Lending Office:

Union Bank of Switzerland
299 Park Avenue
33rd Floor
New York, NY 10171

Eurodollar Lending Office:

Same

Chemical Bank

Domestic Lending Office:

Chemical Bank
270 Park Avenue
10th Floor
New York, New York 10172

Eurodollar Lending Office:

Same

Deutsche Bank AG

Domestic Lending Office:

Deutsche Bank
31 West 52nd Street
24th Floor
New York, New York 10019

Eurodollar Lending Office:

Same

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Bank
The Sakura Bank, Limited

Domestic Lending Office:

The Sakura Bank, Limited,
New York Branch
277 Park Avenue
45th Floor
New York, New York 10172

Eurodollar Lending Office:

Same

Domestic Lending Office:

Compagnie Financiere de CIC
et de l'Union Europeenne,
New York Branch

Compagnie Financiere de CIC
et de l'Union Europeenne,
New York Branch
520 Madison Avenue
37th Floor
New York, New York 10022

Eurodollar Lending Office:

Same

Domestic Lending Office:

PNC Bank N.A.

PNC Bank N.A.
Broad & Chestnut Streets
P. O. Box 7648
Philadelphia, Pennsylvania 19101

Eurodollar Lending Office:

Same

Domestic Lending Office:

First Interstate Bank of Washington,
N.A.

First Interstate Bank of
Washington, N.A.
999 Third Avenue
Mail Stop 984
Seattle, Washington 98104

Eurodollar Lending Office:

Same

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Gulf International

Domestic Lending Office:

Gulf International Bank
380 Madison Avenue
New York, New York 10017

Eurodollar Lending Office:

Same

Domestic Lending Office:

The Tokai Bank, Limited,
New York Branch

The Tokai Bank, Limited,
New York Branch
55 East 52nd Street
(Park Avenue Plaza)
New York, New York 10055

Eurodollar Lending Office:

Same

Domestic Lending Office:

The Yasuda Trust and
Banking Co., Ltd.,
New York Branch

The Yasuda Trust and
Banking Co., Ltd.,
New York Branch
666 Fifth Avenue
Suite 801
New York, New York 10103

Eurodollar Lending Office:

Same

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SCHEDULE II - PARENT FACILITY

	Short-Term Loan Commitment	Revolving Loan Commitment	Term Loan Commitment	Total Commitment
	-----	-----	-----	-----
The Bank of New York	\$110,294,117.65	\$79,411,764.71	\$96,573,529.42	\$286,279,411.78
Citibank, N.A.	\$110,294,117.64	\$79,411,764.70	\$96,573,529.44	\$286,279,411.78
Morgan Guaranty Trust Company of New York	\$110,294,117.65	\$79,411,764.71	\$96,573,529.42	\$286,279,411.78
Bank of America NT&SA	\$110,294,117.65	\$79,411,764.71	\$96,573,529.42	\$286,279,411.78
Bank of Montreal	\$90,960,953.35	\$65,491,886.41	\$79,645,410.75	\$236,098,250.51
The Bank of Nova Scotia	\$90,960,953.35	\$65,491,886.41	\$79,645,410.75	\$236,098,250.51
The Bank of Tokyo Trust Company	\$68,220,715.01	\$49,118,914.81	\$59,734,058.06	\$177,073,687.88
Barclays Bank PLC	\$90,960,953.35	\$65,491,886.41	\$79,645,410.75	\$236,098,250.51
Canadian Imperial Bank of Commerce	\$90,960,953.35	\$65,491,886.41	\$79,645,410.75	\$236,098,250.51
The Chase Manhattan Bank N.A.	\$90,960,953.35	\$65,491,886.41	\$79,645,410.75	\$236,098,250.51
Credit Lyonnais Cayman Island Branch	\$90,960,953.35	\$65,491,886.41	\$79,645,410.75	\$236,098,250.51
The First National Bank of Boston	\$90,960,953.35	\$65,491,886.41	\$79,645,410.75	\$236,098,250.51
The Fuji Bank, Limited	\$90,960,953.35	\$65,491,886.41	\$79,645,410.75	\$236,098,250.51
The Industrial Bank of Japan, Ltd.	\$90,960,953.35	\$65,491,886.41	\$79,645,410.75	\$236,098,250.51
LTCB Trust Company	\$90,960,953.35	\$65,491,886.41	\$79,645,410.75	\$236,098,250.51
Mellon Bank, N.A.	\$90,960,953.35	\$65,491,886.41	\$79,645,410.75	\$236,098,250.51
NationsBank of Texas N.A.	\$90,960,953.35	\$65,491,886.41	\$79,645,410.75	\$236,098,250.51
Societe Generale	\$90,960,953.35	\$65,491,886.41	\$79,645,410.75	\$236,098,250.51
Toronto-Dominion Bank	\$90,960,953.35	\$65,491,886.41	\$79,645,410.75	\$236,098,250.51
Union Bank	\$22,740,238.33	\$16,372,971.60	\$19,911,362.69	\$59,024,562.62
Credit Suisse	\$64,972,109.53	\$46,779,918.86	\$56,889,579.10	\$168,641,607.49
The Dai-Ichi Kangyo Bank	\$64,972,109.53	\$46,779,918.86	\$56,889,579.10	\$168,641,607.49
The Mitsubishi Bank, Limited	\$64,972,109.53	\$46,779,918.86	\$56,889,579.10	\$168,641,607.49
The Mitsubishi Trust & Banking Corporation	\$64,972,109.53	\$46,779,918.86	\$56,889,579.10	\$168,641,607.49
Royal Bank of Canada	\$64,972,109.53	\$46,779,918.86	\$56,889,579.10	\$168,641,607.49
The Sanwa Bank, Ltd.	\$64,972,109.53	\$46,779,918.86	\$56,889,579.10	\$168,641,607.49
Sumitomo Bank, Limited, New York Branch	\$64,972,109.53	\$46,779,918.86	\$56,889,579.10	\$168,641,607.49
Union Bank of Switzerland	\$64,972,109.53	\$46,779,918.86	\$56,889,579.10	\$168,641,607.49
Chemical Bank	\$36,764,705.88	\$26,470,588.24	\$32,191,176.47	\$95,426,470.59
Deutsche Bank AG	\$36,764,705.88	\$26,470,588.24	\$32,191,176.47	\$95,426,470.59
The Sakura Bank, Limited	\$27,573,529.41	\$19,852,941.18	\$24,143,382.35	\$71,569,852.94
Compagnie Financiere de CIC et de L'Union Europeenne, New York Branch	\$18,382,352.94	\$13,235,294.12	\$16,095,588.24	\$47,713,235.30
PNC Bank N.A.	\$18,382,352.94	\$13,235,294.12	\$16,095,588.24	\$47,713,235.30
First Interstate Bank of Washington, N.A.	\$9,191,176.47	\$6,617,647.06	\$8,047,794.12	\$23,856,617.65
Gulf International Bank	\$9,191,176.47	\$6,617,647.06	\$8,047,794.12	\$23,856,617.65
The Tokai Bank, Limited, New York Branch	\$9,191,176.47	\$6,617,647.06	\$8,047,794.12	\$23,856,617.65
The Yasuda Trust and Banking Co., Ltd., New York Branch	\$9,191,176.47	\$6,617,647.06	\$8,047,794.12	\$23,856,617.65
	\$2,500,000,000.00	\$1,800,000,000.00	\$2,189,000,000.00	\$6,489,000,000.00

SCHEDULE II - SUBSIDIARY FACILITY

	Viacom International -----	CableVision of Dayton, Inc. -----	WNYT Inc. -----
The Bank of New York Citibank, N.A.	\$4,411,764.71	\$2,514,705.87	\$1,588,235.29
Morgan Guaranty Trust Company of New York	\$4,411,764.71	\$2,514,705.87	\$1,588,235.28
Bank of America NT&SA	\$4,411,764.71	\$2,514,705.87	\$1,588,235.29
Bank of Montreal	\$3,638,438.13	\$2,073,909.74	\$1,309,837.73
The Bank of Nova Scotia	\$3,638,438.13	\$2,073,909.74	\$1,309,837.73
The Bank of Tokyo Trust Company	\$2,728,828.60	\$1,555,432.30	\$982,378.30
Barclays Bank PLC	\$3,638,438.13	\$2,073,909.74	\$1,309,837.73
Canadian Imperial Bank of Commerce	\$3,638,438.13	\$2,073,909.74	\$1,309,837.73
The Chase Manhattan Bank N.A.	\$3,638,438.13	\$2,073,909.74	\$1,309,837.73
Credit Lyonnais Cayman Island Branch	\$3,638,438.13	\$2,073,909.74	\$1,309,837.73
The First National Bank of Boston	\$3,638,438.13	\$2,073,909.74	\$1,309,837.73
The Fuji Bank, Limited	\$3,638,438.13	\$2,073,909.74	\$1,309,837.73
The Industrial Bank of Japan, Ltd.	\$3,638,438.13	\$2,073,909.74	\$1,309,837.73
LTCB Trust Company	\$3,638,438.13	\$2,073,909.74	\$1,309,837.73
Mellon Bank, N.A.	\$3,638,438.13	\$2,073,909.74	\$1,309,837.73
NationsBank of Texas N.A.	\$3,638,438.13	\$2,073,909.74	\$1,309,837.73
Societe Generale	\$3,638,438.13	\$2,073,909.74	\$1,309,837.73
Toronto-Dominion Bank	\$3,638,438.13	\$2,073,909.74	\$1,309,837.73
Union Bank	\$909,609.53	\$518,477.43	\$327,459.43
Credit Suisse	\$2,598,884.38	\$1,481,364.10	\$935,598.38
The Dai-Ichi Kangyo Bank	\$2,598,884.38	\$1,481,364.10	\$935,598.38
The Mitsubishi Bank, Limited	\$2,598,884.38	\$1,481,364.10	\$935,598.38
The Mitsubishi Trust & Banking Corporation	\$2,598,884.38	\$1,481,364.10	\$935,598.38
Royal Bank of Canada	\$2,598,884.38	\$1,481,364.10	\$935,598.38
The Sanwa Bank, Ltd.	\$2,598,884.38	\$1,481,364.10	\$935,598.38
Sumitomo Bank, Limited, New York Branch	\$2,598,884.38	\$1,481,364.10	\$935,598.38
Union Bank of Switzerland	\$2,598,884.38	\$1,481,364.10	\$935,598.38
Chemical Bank	\$1,470,588.24	\$838,235.29	\$529,411.76
Deutsche Bank AG	\$1,470,588.24	\$838,235.29	\$529,411.76
The Sakura Bank, Limited	\$1,102,941.18	\$628,676.47	\$397,058.82
Compagnie Financiere de CIC et de L'Union Europeenne, New York Branch	\$735,294.12	\$419,117.65	\$264,705.88
PNC Bank N.A.	\$735,294.12	\$419,117.65	\$264,705.88
First Interstate Bank of Washington, N.A.	\$367,647.06	\$209,558.82	\$132,352.94
Gulf International Bank	\$367,647.06	\$209,558.82	\$132,352.94
The Tokai Bank, Limited, New York Branch	\$367,647.06	\$209,558.82	\$132,352.94
The Yasuda Trust and Banking Co., Ltd., New York Branch	\$367,647.06	\$209,558.82	\$132,352.94
	\$100,000,000.00	\$57,000,000.00	\$36,000,000.00

	WMZQ Inc. -----	WVIT Inc. -----	Total Commitment -----
The Bank of New York Citibank, N.A.	\$2,250,000.00	\$2,955,882.35	\$13,720,588.22
Morgan Guaranty Trust Company of New York	\$2,250,000.00	\$2,955,882.33	\$13,720,588.22
Bank of America NT&SA	\$2,250,000.00	\$2,955,882.35	\$13,720,588.22
Bank of Montreal	\$1,855,603.45	\$2,437,753.55	\$11,315,542.60
The Bank of Nova Scotia	\$1,855,603.45	\$2,437,753.55	\$11,315,542.60
The Bank of Tokyo Trust Company	\$1,391,702.59	\$1,828,315.16	\$8,486,656.95
Barclays Bank PLC	\$1,855,603.45	\$2,437,753.55	\$11,315,542.60
Canadian Imperial Bank of Commerce	\$1,855,603.45	\$2,437,753.55	\$11,315,542.60
The Chase Manhattan Bank N.A.	\$1,855,603.45	\$2,437,753.55	\$11,315,542.60
Credit Lyonnais Cayman Island Branch	\$1,855,603.45	\$2,437,753.55	\$11,315,542.60
The First National Bank of Boston	\$1,855,603.45	\$2,437,753.55	\$11,315,542.60
The Fuji Bank, Limited	\$1,855,603.45	\$2,437,753.55	\$11,315,542.60
The Industrial Bank of Japan, LTD.	\$1,855,603.45	\$2,437,753.55	\$11,315,542.60
LTCB Trust Company	\$1,855,603.45	\$2,437,753.55	\$11,315,542.60
Mellon Bank, N.A.	\$1,855,603.45	\$2,437,753.55	\$11,315,542.60
NationsBank of Texas N.A.	\$1,855,603.45	\$2,437,753.55	\$11,315,542.60
Societe Generale	\$1,855,603.45	\$2,437,753.55	\$11,315,542.60

Toronto-Dominion Bank	\$1,855,603.45	\$2,437,753.55	\$11,315,542.60
Union Bank	\$463,900.87	\$609,438.39	\$2,828,885.65
Credit Suisse	\$1,325,431.03	\$1,741,252.54	\$8,082,530.43
The Dai-Ichi Kangyo Bank	\$1,325,431.03	\$1,741,252.54	\$8,082,530.43
The Mitsubishi Bank, Limited	\$1,325,431.03	\$1,741,252.54	\$8,082,530.43
The Mitsubishi Trust & Banking Corporation	\$1,325,431.03	\$1,741,252.54	\$8,082,530.43
Royal Bank of Canada	\$1,325,431.03	\$1,741,252.54	\$8,082,530.43
The Sanwa Bank, Ltd.	\$1,325,431.03	\$1,741,252.54	\$8,082,530.43
Sumitomo Bank, Limited, New York Branch	\$1,325,431.03	\$1,741,252.54	\$8,082,530.43
Union Bank of Switzerland	\$1,325,431.03	\$1,741,252.54	\$8,082,530.43
Chemical Bank	\$750,000.00	\$985,294.12	\$4,573,529.40
Deutsche Bank AG	\$750,000.00	\$985,294.12	\$4,573,529.40
The Sakura Bank Limited	\$562,500.00	\$738,970.59	\$3,430,147.06
Compagnie Financiere de CIC et de L'Union Europeenne, New York Branch	\$375,000.00	\$492,647.06	\$2,286,764.71
PNC Bank N.A.	\$375,000.00	\$492,647.06	\$2,286,764.71
First Interstate Bank of Washington, N.A.	\$187,500.00	\$246,323.53	\$1,143,382.35
Gulf International Bank	\$187,500.00	\$246,323.53	\$1,143,382.35
The Tokai Bank, Limited, New York Branch	\$187,500.00	\$246,323.53	\$1,143,382.35
The Yasuda Trust and Banking Co., Ltd., New York Branch	\$187,500.00	\$246,323.53	\$1,143,382.35
	\$51,000,000.00	\$67,000,000.00	\$311,000,000.00

AMENDMENT

This Amendment ("Amendment"), dated as of May 15, 1995, shall be:

AMENDMENT NO. 3 to the \$6.489 BILLION CREDIT AGREEMENT, dated as of July 1, 1994, as amended as of August 5, 1994 by Amendment No. 1 and as of September 29, 1994 by Amendment No. 2 (the "Parent Facility"), among VIACOM INC., a Delaware corporation ("Viacom"), each of the several Banks, THE BANK OF NEW YORK, as a Managing Agent and as the Documentation Agent, CITIBANK, N.A., as a Managing Agent and as the Administrative Agent, MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as a Managing Agent, JP MORGAN SECURITIES INC., as the Syndication Agent, BANK OF AMERICA NT&SA, as a Managing Agent, the Banks identified as Agents on the signature pages thereof, as Agents, and the Banks identified as Co-Agents on the signature pages thereof, as Co-Agents; and

AMENDMENT NO. 2 to the \$311 MILLION CREDIT AGREEMENT, dated as of July 1, 1994, as amended as of August 5, 1994 by Amendment No. 1 (the "Subsidiary Facility"), among VIACOM CABLEVISION OF DAYTON INC., WNYT INC., WMZQ INC., WVIT INC. and VIACOM INTERNATIONAL INC., each a Delaware corporation (collectively, "Subsidiary Borrowers"), each of the several Banks, THE BANK OF NEW YORK, as a Managing Agent and as the Documentation Agent, CITIBANK, N.A., as a Managing Agent and as the Administrative Agent, MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as a Managing Agent, JP MORGAN SECURITIES INC., as the Syndication Agent, BANK OF AMERICA NT&SA, as a Managing Agent, the Banks identified as Agents on the signature pages thereof, as Agents, and the Banks identified as Co-Agents on the signature pages thereof, as Co-Agents.

W I T N E S S E T H :

WHEREAS, Viacom and the Subsidiary Borrowers have requested certain amendments to be made to certain provisions of the Parent Facility and the Subsidiary Facility, respectively; and

WHEREAS, the parties who have heretofore entered into the Parent Facility and the Subsidiary Facility now desire to amend such provisions of such agreements.

NOW, THEREFORE, the parties hereto agree as follows:

SECTION 1. Amendments. (a) The definition of EBIDT in Section 1.1 of the Parent Facility is hereby amended by:

(i) deleting clause (a)(ii) in its entirety and replacing it with the following:

"(ii) amortization expense (including all amortization expenses

recognized in accordance with APB 16 and 17 but excluding (A) all other amortization of programming, production and pre-publication costs and (B) amortization of videocassettes");

and

(ii) deleting the phrase ", less (c) Net Video Tape Purchases" after the word "definition" at the end of clause (b).

(b) Section 1.1 of the Parent Facility is hereby amended to delete the definition of Net Video Tape Purchases.

(c) The definition of "Applicable Eurodollar Rate Margin" in Section 1.1 of each of the Parent Facility and the Subsidiary Facility is hereby amended by deleting the first proviso in its entirety and replacing it with the following:

"provided, however, that if the ratings assigned by S&P and Moody's shall differ, the Credit Rating shall be the rating which is the higher rating".

(d) Section 2.3 (b) of the Parent Facility is hereby amended by:

(i) inserting the words "or Capital Market Transaction date" after the words "related sale date" in clause (y) thereof;

(ii) deleting the number \$250 million in clause (y)(C) thereof and replacing it with the number \$500 million;

(iii) replacing the word "reinvested", wherever it appears therein, with the words "used to acquire assets";

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(iv) replacing the word "reinvestment", in the first place it appears therein, with the words "use for acquisitions"; and

(v) replacing the words "reinvestment of Net Cash Proceeds" with the words "use of Net Cash Proceeds for acquisitions".

(e) Each of Section 5.4 (a) of the Parent Facility and Section 3.4 (a) of the Subsidiary Facility is hereby amended by deleting the proviso in its entirety and replacing it with the following:

"provided, however, that if the ratings assigned by S&P and Moody's shall differ, the Credit Rating shall be the rating which is the higher rating".

(f) Section 10.6 of the Parent Facility is hereby amended by replacing it in its entirety with the following:

"10.6. Subsidiary Indebtedness. The Borrower shall not permit any of its Subsidiaries, other than a Guarantor Subsidiary, to incur Indebtedness for borrowed money other than (a) the Subsidiary Loans (as defined in the Subsidiary Facility), (b) under existing facilities identified on Schedule 10.6 to Amendment No. 2 to this Agreement or any replacement facilities thereto which in the aggregate do not exceed the amounts of the commitments on such Schedule and (c) Indebtedness for borrowed money in an aggregate amount at any time outstanding of not more than \$25 million for all of its Subsidiaries other than a Guarantor Subsidiary".

(g) Section 7.4 of the Subsidiary Facility is hereby amended by adding after the word "Agreement" the phrase "and other than Indebtedness permitted pursuant to Section 10.6 of the Parent Facility".

(h) Each of Section 10.7 of the Parent Facility and Section 7.5 of

the Subsidiary Facility is hereby amended by inserting the following after the words "Commercial Paper" in the parentheses:

"and up to \$500 million of Indebtedness with maturities of no less than seven years from the date such Indebtedness is incurred".

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SECTION 2. Effectiveness. This Amendment will be effective upon the execution hereof by each of Viacom, each Subsidiary Borrower, the Guarantor Subsidiary and (i) except in the case of the amendments contained in Sections 1(c) and (e) hereof, the Majority Banks and (ii) in the case of the amendments contained in Sections 1(c) and (e) hereof, each of the Banks.

SECTION 3. Representations and Warranties. Each of Viacom, the Subsidiary Borrowers and the Guarantor Subsidiary hereby represents and warrants that as of the date hereof, both before and after giving effect to this Amendment, no Default or Event of Default shall exist or be continuing under the Parent Facility or the Subsidiary Facility.

SECTION 4. Miscellaneous. (a) Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in each of the Parent Facility and the Subsidiary Facility.

(b) Except as amended hereby, all of the terms of each of the Parent Facility and the Subsidiary Facility shall remain and continue in full force and effect and are hereby confirmed in all respects.

(c) This Amendment shall be a Loan Document for the purposes of the Parent Facility and the Subsidiary Facility.

(d) This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto were upon the same instrument. Delivery of an executed counterpart of a signature page of this Amendment by telecopier shall be effective as delivery of a manually executed counterpart of this Amendment.

(e) THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 5. Guarantor Subsidiary Confirmation. By signing below, the Guarantor Subsidiary hereby agrees to the terms of the foregoing Amendment and confirms that the VII Guarantee remains in full force and effect.

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SECTION 6. Viacom Inc. Confirmation. By signing below, Viacom Inc., as guarantor under the Parent Guarantee ("Parent Guarantor"), hereby agrees to the terms of the foregoing Amendment and confirms that the Parent Guarantee remains in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

VIACOM INC., as Borrower and as Parent Guarantor

By: /s/ Vaughn A. Clark

Name: Vaughn A. Clark
Title: Senior Vice President,
Treasurer

VIACOM INTERNATIONAL INC., as a
Subsidiary Borrower and as a Guarantor
Subsidiary

By: /s/ Vaughn A. Clark

Name: Vaughn A. Clark
Title: Senior Vice President,
Treasurer

On behalf of the following Subsidiary
Borrowers:

VIACOM CABLEVISION OF DAYTON INC.,

WNYT INC.,

WMZQ INC. and

WVIT INC.

By: /s/ Vaughn A. Clark

Name: Vaughn A. Clark
Title: Senior Vice President,
Treasurer

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Managing Agents

THE BANK OF NEW YORK, as Managing Agent,
the Documentation Agent and a Bank

By: /s/ Geoffrey C. Brooks

Name: Geoffrey C. Brooks
Title: Vice President

CITIBANK, N.A., as Managing Agent, the
Administrative Agent and a Bank

By: /s/ Margaret C. Ullrich

Name: Margaret C. Ullrich
Title: Vice President

MORGAN GUARANTY TRUST COMPANY OF NEW
YORK, as Managing Agent and a Bank

By: /s/ Mathias Blumschein

Name: Mathias Blumschein
Title: Associate

BANK OF AMERICA NT&SA, as Managing Agent
and a Bank

By:/s/ Amy S. Trapp

Name: Amy S. Trapp
Title: Vice President

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Agents

BANK OF MONTREAL, as Agent and a Bank

By: /s/ Yvonne Bos

Name: Yvonne Bos
Title:Managing Director

THE BANK OF NOVA SCOTIA, as Agent and a
Bank

By: /s/ Vince J. Fitzgerald

Name: Vince J. Fitzgerald
Title: Senior Relationship Mgr.

BANK OF TOKYO TRUST COMPANY, as Agent
and a Bank

By: /s/ Charles Poer

Name: Charles Poer
Title: Vice President & Manager

BARCLAYS BANK PLC, as Agent and a Bank

By: /s/ Michael W. Ballard

Name: Michael W. Ballard
Title: Associate Director

CANADIAN IMPERIAL BANK OF COMMERCE, as
Agent and a Bank

By: /s/ John Tyler

Name: John Tyler
Title: Vice President

7

THE CHASE MANHATTAN BANK (NATIONAL
ASSOCIATION), as Agent and a Bank

By: /s/ Bruce Longenkamp

Name: Bruce Longenkamp
Title: Vice President

CREDIT LYONNAIS CAYMAN ISLAND BRANCH, as
Agent and a Bank

By: /s/ M. Bernadette Collins

Name: M. Bernadette Collins
Title: Authorized Signature

THE FIRST NATIONAL BANK OF BOSTON, as
Agent and a Bank

By: /s/ Mary M. Barcus

Name: Mary M. Barcus
Title: Vice President

THE FUJI BANK, LIMITED, as Agent and a
Bank

By: /s/ Kazuaki Kitabatake

Name: Kazuaki Kitabatake
Title: Joint General Manager

THE INDUSTRIAL BANK OF JAPAN, LTD., as
Agent and a Bank

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By: /s/ Jeffrey Cole

Name: Jeffrey Cole
Title: Senior Vice President

LTCB TRUST COMPANY, as Agent and a Bank

By: /s/ John A. Krob

Name: John A. Krob
Title: Senior Vice President

MELLON BANK, N.A., as Agent and a Bank

By: /s/ G. Luis Ashley

Name: G. Luis Ashley
Title: First Vice President

NATIONSBANK OF TEXAS, N.A., as Agent and
a Bank

By: /s/ Chad E. Coben

Name: Chad E. Coben
Title: Vice President

SOCIETE GENERALE, as Agent and a Bank

By: /s/ Pascale Hainline

Name: Pascale Hainline
Title: Vice President

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THE TORONTO-DOMINION BANK, as Agent and
a Bank

By: /s/ Neva Nesbitt

Name: Neva Nesbitt
Title: Manager Credit Admin.

UNION BANK, as Agent and a Bank

By: /s/ J. Kevin Sampson

Name: J. Kevin Sampson
Title:

Co-Agents

CREDIT SUISSE, as Co-Agent and a Bank

By: /s/ Michael C. Mast

Name: Michael C. Mast
Title: Member of Senior Management

By: /s/ Kristina Catlin

Name: Kristina Catlin
Title: Associate

THE DAI-ICHI KANGYO BANK LTD., NEW YORK
BRANCH, as Co-Agent and a Bank

By: /s/ Shinya Wako

Name: Shinya Wako
Title: Senior Vice President
and Department Head

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THE MITSUBISHI BANK, LIMITED, as
Co-Agent and a Bank

By: /s/ Paula Mueller

Name: Paula Mueller
Title: Vice President

THE MITSUBISHI TRUST & BANKING
CORPORATION, as Co-Agent and a Bank

By: /s/ Patricia Loret de Mola

Name: Patricia Loret de Mola
Title: Senior Vice President

ROYAL BANK OF CANADA, as Co-Agent and a
Bank

By: /s/ Eduardo Salazar

Name: Eduardo Salazar
Title: Senior Manager

THE SANWA BANK, LTD., as Co-Agent and a
Bank

By: /s/ Dominic J. Sorresso

Name: Dominic J. Sorresso
Title: Vice President

THE SUMITOMO BANK, LIMITED, NEW YORK
BRANCH, as Co-Agent and a Bank

By: /s/ Shuntaro Hisashi

Name: Shuntaro Hisashi
Title: Joint General Manager

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UNION BANK OF SWITZERLAND, as Co-Agent
and a Bank

By: /s/ James P. Kelleher

Name: James P. Kelleher
Title: Assistant Vice President

By: /s/ Peter B. Yearley

Name: Peter B. Yearley
Title: Vice President

Syndication Agent

JP MORGAN SECURITIES INC., as the
Syndication Agent

By: /s/ Barbara J. Asch

Name: Barbara J. Asch
Title: Vice President

Lead Managers

CHEMICAL BANK, as Lead Manager and a
Bank

By: /s/ Mary E. Cameron

Name: Mary E. Cameron
Title: Vice President

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DEUTSCHE BANK AG, through its New York
and/or Cayman Islands Branch, as Lead
Manager and a Bank

By: /s/ Steven M. Godeke

Name: Steven M. Godeke
Title: Vice President

By: /s/ Bina R. Dabbah

Name: Bina R. Dabbah
Title: Vice President

Participants

THE SAKURA BANK, LIMITED

By: /s/ Hiroshi Shimazaki

Name: Hiroshi Shimazaki
Title: Senior Vice President
and Manager

COMPAGNIE FINANCIERE DE CIC ET DE
L'UNION EUROPEENNE, NEW YORK BRANCH

By: /s/ Brian O'Leary/Marcus Edward

Name: Brian O'Leary/Marcus Edward
Title: Vice Presidents

PNC BANK N.A.

By: /s/ Karen M. Wolters

Name: Karen M. Wolters
Title: Vice President

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FIRST INTERSTATE BANK OF WASHINGTON,
N.A.

By:/s/ Susan Hendrixson

Name: Susan Hendrixson
Title: Vice President

GULF INTERNATIONAL BANK

By:/s/ Abdel-Fattah Tahoun

Name: Abdel-Fattah Tahoun
Title: Senior Vice President

By:/s/ Haytham F. Khalil

Name: Haytham F. Khalil
Title: Assistant Vice President

THE TOKAI BANK, LIMITED, NEW YORK BRANCH

By: /s/ Masaharu Muto

Name: Masaharu Muto
Title: Deputy General Manager

THE YASUDA TRUST AND BANKING CO., LTD.,
NEW YORK BRANCH

By:/s/ Neil T. Chau

Name: Neil T. Chau
Title: First Vice President

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BANK BRUSSELS LAMBERT, NEW YORK BRANCH

By: /s/ Denise Isherwood

Name: Denise Isherwood
Title: Assistant Vice
President

By: /s/ Eric Hollanders

Name: Eric Hollanders
Title: Senior Vice President
Credit Department

BANQUE FRANCAISE DU COMMERCE EXTERIEUR,
NEW YORK BRANCH

By: /s/ Peter K. Harris

Name: Peter K. Harris
Title: Vice President

By: /s/ William Marer

Name: William Marer
Title: Vice President/Manager

DEN DANSKE BANK

By: /s/ George Wendell

Name: George Wendell
Title: Vice President

By: /s/ Mogens Sondergaard

Name: Mogens Sondergaard
Title: Vice President

FIRST UNION NATIONAL BANK OF NORTH
CAROLINA

By: /s/ William F. Laponte, III

Name: William F. Laponte, III
Title: Vice President

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NIPPON CREDIT BANK, LTD., LOS ANGELES
AGENCY

By: /s/ Bernardo E. Correa-Henschke

Name: Bernardo E. Correa-Henschke
Title: Vice President and Manager

SHAWMUT BANK CONNECTICUT, N.A.

By: /s/ Robert F. West

Name: Robert F. West
Title: Director

VAN KAMPEN PRIME RATE INCOME TRUST

By: /s/ Jeffrey W. Maillet

Name: Jeffrey W. Maillet
Title: Vice President
& Portfolio Mgr.

FIRST HAWAIIAN BANK

By: /s/ William B. Schink

Name: William B. Schink
Title: Vice President

BAYERISCHE VEREINS BANK, A.G.

By: /s/ John Carlson

Name: John Carlson
Title: Vice President

By: /s/ Sylvia Cheng

Name: Sylvia Cheng
Title: Vice President

BANK OF HAWAII

By: /s/ J. Bryan Scearce

Name: J. Bryan Scearce
Title: Associate Vice President

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THE SUMITOMO TRUST BANKING COMPANY, LTD.

By: /s/ Suraj P. Bhatia

Name: Suraj P. Bhatia
Title: Senior Vice President
Manager, Corp. Finance

AMENDMENT

This Amendment ("Amendment"), dated as of November 17, 1995, shall be:

AMENDMENT NO. 4 to the \$6.489 BILLION CREDIT AGREEMENT, dated as of July 1, 1994, as amended, ("Parent Facility") among VIACOM INC., a Delaware corporation ("Viacom"), each of the several Banks, THE BANK OF NEW YORK, as a Managing Agent and as the Documentation Agent, CITIBANK, N.A., as a Managing Agent and as the Administrative Agent, MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as a Managing Agent, JP MORGAN SECURITIES INC., as the Syndication Agent, BANK OF AMERICA NT&SA, as a Managing Agent, the Banks identified as Agents on the signature pages thereof, as Agents, and the Banks identified as Co-Agents on the signature pages thereof, as Co-Agents.

AMENDMENT NO. 3 to the \$311 MILLION CREDIT AGREEMENT, dated as of July 1, 1994, as amended, (the "Subsidiary Facility") among VIACOM CABLEVISION OF DAYTON INC., WNYT INC., WMZQ INC., WVIT INC., AND VIACOM INTERNATIONAL INC., each a Delaware corporation (collectively "Subsidiary Borrowers"), each of the several Banks, THE BANK OF NEW YORK, as a Managing Agent and as the Documentation Agent, CITIBANK, N.A., as a Managing Agent and as the Administrative Agent, MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as a Managing Agent, JP MORGAN SECURITIES INC., as the Syndication Agent, BANK OF AMERICA NT&SA, as a Managing Agent, the Banks identified as Agents of the signature pages thereof, as Agents, and the Banks identified as Co-Agents on the signature pages thereof, as Co-Agents.

WITNESSETH:

WHEREAS, Viacom, Viacom International Inc., a wholly-owned subsidiary of Viacom ("VII"), Viacom International Services Inc., a wholly-owned subsidiary of VII ("VII Services"), Tele-Communications Inc. ("TCI"), and TCI Communications Inc. ("TCI Sub"), a wholly-owned subsidiary of TCI, have entered into a series of agreements ("the Transaction Documents", which are listed on Schedule I attached hereto) pursuant to which (i) VII will convey to VII Services proceeds from the \$1.7 billion bank debt described below and all of its assets relating to business operations other than the cable television business (the "Non Cable Businesses"), and VII Services will assume all of VII's liabilities (including its existing public debt and bank debt) other than the \$1.7 Billion bank debt described below and liabilities relating to the cable television business (the "Cable Business"), (ii) VII will distribute the stock of VII Services to Viacom (the "First Distribution"), (iii) VII, after giving

effect to the First Distribution, will be solely engaged in the Cable Business and VII will be recapitalized with new VII Class A common stock, (iv) the Class A common stock of VII will be split off to the shareholders of Viacom in an exchange offer (the "Exchange Offer") in which shares of Viacom common stock will be exchanged for shares of VII Class A common stock, (v) VII prior to the expiration of the Exchange Offer will borrow \$1.7 billion from a syndicate of lenders, the proceeds of which will be deposited in a secured collateral account until the date of consummation of the Exchange Offer when VII will transfer such proceeds to VII Services as described above, and (vi) immediately after the split off, TCI has agreed to purchase Class B common stock of VII and the Class A common stock will be automatically converted upon such purchase into preferred stock, and (vii) VII will no longer be a subsidiary of Viacom and will be renamed TCI Pacific Communications Inc. and VII Services will be renamed Viacom International Inc. (collectively the "Cable Transaction"); and

WHEREAS, Viacom and the Subsidiary Borrowers have requested certain amendments to be made to and certain consents obtained with respect to certain provisions of the Parent Facility and the Subsidiary Facility, respectively; and

WHEREAS, the parties who have heretofore entered into the Parent Facility and the Subsidiary Facility now desire to amend certain provisions of such agreements and for the Majority Banks to consent to the waiver of the application of certain other provisions in connection with the Cable Transaction,

NOW THEREFORE, the parties hereto agree as follows:

SECTION 1. Amendments.

(a) The definition of Net Cash Proceeds in Section 1.1 of the Parent Facility is hereby amended by adding the following provisions: "(v) with reference to proceeds from any sale of Spelling Entertainment Group Inc., the net amount paid by the Borrower for the portion of Virgin Interactive Entertainment Limited ("VIEL") not theretofore directly or indirectly owned by the Borrower, and (vi) with reference to proceeds from any sale of Spelling Entertainment Group Inc., that portion of the Net Cash Proceeds attributable to repayment of Indebtedness owed by Spelling Entertainment Group Inc. to the Borrower;"

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(b) Section 2.3 (b) of the Parent Facility is hereby amended by replacing it in its entirety with the following:

"2.3(b) Mandatory Reductions. The Borrower shall reduce the Short-Term Loan Commitment of each Bank by (i) each Bank's Ratable Portion of the amount received by the Borrower from VII Services representing the loan proceeds from VII in connection with the consummation of the Exchange Offer (the "Cable Transaction Effective Date") and (ii) in the event that the Cable Transaction Effective Date has not occurred by May 31, 1996, by each Bank's Ratable Portion of the amount by which any Net Cash Proceeds received by the Borrower from the sale of Spelling Entertainment Group Inc. (or any of its subsidiaries other than VIEL) exceed \$150 million. After the Short-Term Loan Commitments have been reduced to \$0 and all Short-Term Loans have been repaid, no mandatory reductions of any Commitment shall be required from Net Cash Proceeds".

(c) Section 10.6 of the Parent Facility is hereby amended by replacing it in its entirety with the following:

"10.6. Subsidiary Indebtedness. The Borrower shall not permit any of its Subsidiaries, other than the Guarantor Subsidiary, to incur Indebtedness for borrowed money other than (a) the Subsidiary Loans (as defined in the Subsidiary Facility), (b) under existing facilities identified on Schedule 10.6 to this Amendment No. 4 or any replacement facilities thereto which in the aggregate do not exceed the amounts of the commitments on such Schedule and (c) Indebtedness for borrowed money in an aggregate amount at any time outstanding of not more than \$300 million; provided, however, the aggregate amount of Indebtedness for borrowed money scheduled to mature earlier than six months after the Commitment Termination Date at any time permitted to be outstanding under 10.6(c) and 10.7(b) may not exceed \$300 million."

(d) Section 10.7 of the Parent Facility is hereby amended by replacing it in its entirety with the following:

"10.7. Other Restrictions on Indebtedness. The Borrower shall not, and shall not permit the Guarantor Subsidiary to, incur Indebtedness for borrowed money maturing earlier than six months after the Commitment Termination Date other than (a) Commercial Paper and (b) up to \$300 million at any time outstanding (less the aggregate amount outstanding under 10.6(c)

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scheduled to mature earlier than six months after the Commitment Termination Date) and on terms no more onerous than the terms hereof".

(e) Section 7.5 of the Subsidiary Facility is hereby amended by replacing it in its entirety with the following:

"7.5 Other Restrictions on Indebtedness. No Subsidiary Borrower shall incur Indebtedness for borrowed money maturing earlier than six months after the Commitment Termination Date other than (a) Commercial Paper and (b) up to \$300 million at any time outstanding (less the aggregate amount outstanding scheduled to mature earlier than six months after the Commitment Termination Date under 10.6(c) of the Parent Facility)".

(f) Section 13.1 of the Parent Facility is hereby amended by deleting the word "or" preceding clause (f) thereof and inserting the following new clause (g): "or (g) amend clause (i) of Section 13.6".

(g) Section 10.1 of the Subsidiary Facility is hereby amended by deleting the word "or" preceding clause (f) and inserting the following new clause (g): "or (g) amend clause (i) of Section 10.6".

(h) Clause (i) of Section 13.6 of the Parent Facility is hereby amended to read in its entirety as follows: "the Borrower shall have no right to assign its rights or obligations hereunder or any interest herein (and any such purported assignment shall be void) without the prior consent of the Banks except in connection with any (x) merger or consolidation permitted under Section 10.2 or (y) merger, consolidation or sale of assets consented to by the Majority Banks".

(i) Clause (i) of Section 10.6 of the Subsidiary Facility is hereby amended to read in its entirety as follows: "no Subsidiary Borrower shall have the right to assign its rights or obligations hereunder or any interest herein (and any such purported assignment shall be void) without the prior consent of the Banks, except in connection with any (x) merger or consolidation permitted under Section 10.2 of the Parent Facility or (y) merger, consolidation or sale of assets consented to by the Majority Banks".

SECTION 2. Consents. In connection with the Cable Transaction:

4

(a) On the Cable Transaction Effective Date, the Guarantor Subsidiary may assign all of its rights and obligations under the VII Guaranty to VII Services (which will change its name to Viacom International Inc.) if in connection therewith VII Services (i) assumes all of the obligations of VII under the VII Guaranty and (ii) receives an assignment of the Non Cable Businesses. VII Services will become the Guarantor Subsidiary and VII will be released from all of its obligations thereunder.

(b) On the Cable Transaction Effective Date, the Subsidiary Loan made to VII under the Subsidiary Facility may be assigned to VII Services if in connection therewith VII Services (i) assumes all of the obligations of VII under the Subsidiary Loan and (ii) receives an assignment of the Non Cable Businesses. VII Services will become a Subsidiary Borrower under the Subsidiary Facility and VII will be released from all of its obligations thereunder.

(c) Prior to the expiration of the Exchange Offer, VII may borrow \$1.7 billion from a syndicate of banks on terms permitted pursuant to the Transaction Documents substantially in the form of those in effect at the date hereof and may grant such banks a Lien on such funds until they are released to VII Services on the date of consummation of the Exchange Offer and a lien on rights under the Subscription Agreement referred to in Schedule I.

(d) After the Cable Transaction Effective Date, VII Services may

hold certain cable franchises for the benefit of VII until regulatory approvals are obtained and may assign the receivables related to such franchises to the banks lending to VII.

(e) For purposes of the Parent Facility and the Subsidiary Facility, the \$1.7 Billion loan to VII shall not be considered Indebtedness of the Borrower or a Subsidiary Borrower.

Upon the execution and delivery hereof of the Majority Banks, the Majority Banks shall have consented to each of the foregoing relating to the Cable Transaction and, to the extent any of the matters described in (a) - (e) above are otherwise inconsistent with the terms of the Parent Facility or Subsidiary Facility, as hereby amended, this Amendment shall constitute a waiver of the provisions thereof to the extent necessary to permit the Cable Transaction.

5

SECTION 3. Assumption of Liabilities. As of the Cable Transaction Effective Date, VII Services hereby expressly assumes and agrees to pay, satisfy and perform when due all liabilities of VII under each Loan Document to which VII is a party. For purposes of clarity, VII's obligations under the \$1.7 billion of bank debt described above will not be assumed by VII Services.

SECTION 4. Effectiveness. This Amendment will be effective upon the execution hereof by each of Viacom, each Subsidiary Borrower, VII and VII Services and the Majority Banks.

SECTION 5. Representations and Warranties. Each of Viacom, the Subsidiary Borrowers and the Guarantor Subsidiary hereby represents and warrants that (i) as of the date hereof, both before and after giving effect to this Amendment, and (ii) as of the date of, and after giving effect to consummation of, the Cable Transaction, no Default or Event of Default shall exist or be continuing under the Parent Facility or the Subsidiary Facility.

SECTION 6. Miscellaneous. (a) Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in each of the Parent Facility and the Subsidiary Facility.

(b) Except as amended or waived hereby, all of the terms of each of the Parent Facility and the Subsidiary Facility shall remain and continue in full force and effect and are hereby confirmed in all respects.

(c) This Amendment shall be a Loan Document for the purposes of the Parent Facility and the Subsidiary Facility.

(d) This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto were upon the same instrument. Delivery of an executed counterpart of a signature page of this Amendment by telecopier shall be effective as delivery of a manually executed counterpart of this Amendment.

(e) THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 7. Covenant. Viacom shall within two Business Days following

6

the Cable Transaction Effective Date deliver to the Documentation Agent, dated as of the Cable Transaction Effective Date, as to VII Services only:

(i) each of the documents referred to in Section 6.1(a), (b) and (c) of the Parent Facility;

(ii) each of the documents referred to in Section 4.1(a), (b) and (c) of the Subsidiary Facility;

(iii) a favorable opinion of Shearman & Sterling, special counsel to the Loan Parties, with respect to this Amendment substantially to the same effect as contemplated by paragraph 1 of Exhibit E-1 to the Parent Agreement and paragraph 1 of Exhibit E-1 to the Subsidiary Agreement; and

(iv) a favorable opinion of Philippe P. Dauman, General Counsel to the Loan Parties, with respect to this Amendment substantially to the same effect as contemplated by paragraphs 1 - 6 of Exhibit E-2 to the Parent Agreement and paragraphs 1 - 6 of Exhibit E-2 to the Subsidiary Agreement.

SECTION 8. Guarantor Subsidiary Confirmation. By signing below, the Guarantor Subsidiary hereby agrees to the terms of the foregoing Amendment and confirms that the VII Guarantee remains in full force and effect.

SECTION 9. Viacom Inc. Confirmation. By signing below, Viacom Inc., as guarantor under the Parent Guaranty ("Parent Guarantor"), hereby agrees to the terms of the foregoing Amendment and confirms that the Parent Guaranty remains in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

VIACOM INC., as Borrower and Parent Guarantor

By:/s/ Vaughn A. Clarke

Name: Vaughn A. Clarke
Title: Senior Vice President

7

VIACOM INTERNATIONAL INC., as a Subsidiary
Borrower and as a Guarantor Subsidiary

By:/s/ Vaughn A. Clarke

Name: Vaughn A. Clarke
Title: Senior Vice President

On behalf of the following Subsidiary Borrowers:

VIACOM CABLEVISION OF DAYTON INC.,

WNYT INC.,

WMZQ INC. and

WVIT INC.,

By:/s/ Vaughn A. Clarke

Name: Vaughn A. Clarke
Title: Senior Vice President

VIACOM INTERNATIONAL SERVICES INC.

By:/s/ Vaughn A. Clarke

Name: Vaughn A. Clarke
Title: Senior Vice President

CREDIT SUISSE

By:/s/ J. Hamilton Crawford

Name: J. Hamilton Crawford
Title: Associate

By:/s/ Michael C. Mast

Name: Michael C. Mast
Title: Member of Senior Mgmt.

SOCIETE GENERALE

By:/s/ Elaine I. Khalil

Name: Elaine I. Khalil
Title: Vice President

8

THE BANK OF NEW YORK

By:/s/ Geoffrey C. Brooks

Name: Geoffrey C. Brooks
Title: Vice President

THE BANK OF TOKYO TRUST COMPANY

By:/s/ John P. Judge

Name: John P. Judge
Title: Vice President

FIRST INTERSTATE BANK OF WASHINGTON

By:/s/ Susan Hendrixson

Name: Susan Hendrixson
Title: Vice President

UNION BANK OF SWITZERLAND

By:/s/ Stephen A. Cayer

Name: Stephen A. Cayer
Title: Assistant Treasurer

By:/s/ Peter B. Yearly

Name: Peter B. Yearly
Title: Vice President

THE YASUDA TRUST & BANKING CO., LTD

By:/s/ Gerald Gill

Name: Gerald Gill
Title: Vice President

9

BAYERISCHE VEREINSBANK AG

By:/s/ John Carlson

Name: John Carlson
Title: Vice President

By:/s/ Sylvia Chang

Name: Sylvia Chang
Title: Vice President

NETSUBISHI BANK, LTD.

By:/s/ Paula Mueller

Name: Paula Mueller
Title:

THE MITSUBISHI TRUST AND BANKING
CORPORATION

By:/s/ Patricia Loret De Mola

Name: Patricia Loret De Mola
Title: Senior Vice President

NATWEST BANK, N.A.

By:/s/ Michael A. Cerullo

Name: Michael A. Cerullo
Title: Vice President

10

GULF INTERNATIONAL BANK BSC

By:/s/ Haytham F. Halil

Name: Haytham F. Halil
Title: Assistant Vice President

By:/s/ Abdel-Fattah Tahoun

Name: Haytham F. Halil
Title: Senior Vice President

PNC BANK, NATIONAL ASSOCIATION

By:/s/ Karen M. Wolters

Name: Karen M. Wolters
Title: Vice President

THE SUMITOMO BANK, LTD.

By:/s/ S. Higashi

Name: S. Higashi
Title: Joint General Manager

THE SUMITOMO TRUST AND BANKING CO., LTD.

By:/s/ Suraj P. Bhatia

Name: Suraj P. Bhatia
Title: Senior Vice President
Mgr. Corp. Finance Dept.

CORESTATES BANK, N.A.

By:/s/ Edward L. Kittrell

Name: Edward L. Kittrell
Title: Vice President

11

BANQUE FRANCAISE DU COMMERCE EXTERIEUR

By:/s/ Peter Karl Harris

Name: Peter Karl Harris
Title: Vice President

By:/s/ William C. Maier

Name: William C. Maier
Title: VP-Group Manager

THE SAKURA BANK, LTD.

By:/s/ Hiroshi Shimazaki

Name: Hiroshi Shimazaki
Title: Senior Vice President
& Manager

DEN DANSKE BANK

By:/s/ Mogens Sondergaard

Name: Mogens Sondergaard
Title: Vice President

By:/s/ Bent V. Christensen

Name: Bent V. Christensen
Title: Vice President

THE INDUSTRIAL BANK OF JAPAN, LTD.

By:/s/ Jeffrey Cole

Name: Jeffrey Cole
Title: Senior Vice President

12

ROYAL BANK OF CANADA

By:/s/ Cynthia K. Wong

Name: Cynthia K. Wong
Title: Manager

THE SANWA BANK, LTD.

By: /s/ Dominic J. Sorresso

Name: Dominic J. Sorresso
Title: Vice President

TOKAI BANK, LTD.

By:/s/ Stuart Schulman

Name: Stuart Schulman
Title: Senior Vice President

CHEMICAL BANK

By:/s/ John J. Huber III

Name: John J. Huber III
Title: Managing Director

THE DAI-CHI KANGYO BANK, LTD.

By:/s/ Ronald Wolinsky

Name: Ronald Wolinsky
Title: Vice President & Group Leader

13

FIRST HAWAIIAN BANK

By:/s/ William B. Schink

Name: William B. Schink
Title: Vice President

MORGAN GUARANTY TRUST COMPANY OF
NEW YORK

By:/s/ R. BLake Witherington

Name: R. BLake Witherington
Title: Vice President

CITIBANK, N.A.

By:/s/ Margaret C. Ullrich

Name: Margaret C. Ullrich
Title: Vice President

THE NIPPON CREDIT BANK, LTD.

By: /s/ Bernardo E. Correa-Henschke

Name: Bernardo E. Correa-Henschke
Title: Vice President & Manager

RIGGS NATIONAL BANK

By: /s/ David H. Olson

Name: David H. Olson
Title: Vice President

14

FIRST UNION NATIONAL BANK OF
NORTH CAROLINA

By: /s/ Jim F. Redman

Name: Jim F. Redman
Title: Senior Vice President

MELLON BANK, N.A.

By: /s/ G. Luis Ashley

Name: G. Luis Ashley
Title: First Vice President

COMPAGNIE FINANCIERE DE CIC ET DE
L'UNION EUROPEENNE

By: /s/ Brian O'Leary

Name: Brian O'Leary
Title: Vice President

By: /s/ Marcus Edward

Name: Marcus Edward
Title: Vice President

VAN KAMPEN AMERICAN CAPITAL PRIME RATE INCOME

TRUST

By:/s/ Jeffrey W. Maillet

Name: Jeffrey W. Maillet
Title: Sr. Vice Pres. &
Portfolio Manager

15

CIBC, INC.

By:/s/ John Tyler

Name: John Tyler
Title: Vice President

THE CHASE MANHATTAN BANK

By:/s/ Bruce Langenkamp

Name: Bruce Langenkamp
Title: Vice President

THE BANK OF NOVA SCOTIA

By:/s/ Vincent Fitzgerald, Jr.

Name: Vincent Fitzgerald, Jr.
Title: Authorized Signatory

THE FUJI BANK, LTD.

By:/s/ Katsunori Nozawa

Name: Katsunori Nozawa
Title: Vice President & Manager

THE LONG-TERM CREDIT BANK OF JAPAN, LTD.

By:/s/ John A. Krob

Name: John A. Krob
Title: Deputy General Manager

16

BANQUE NATIONALE DE PARIS

By:/s/ John S. Mitchell

Name: John S. Mitchell
Title: Vice President

By:/s/ Nancy Stengel

Name: Nancy Stengel
Title: Assistant Treasurer

BANK OF HAWAII

By:/s/ J. Bryan Searce

Name: J. Bryan Searce
Title: Vice President

BANK OF AMERICA

By:/s/ Amy S. Trapp

Name: Amy S. Trapp
Title: Vice President

NATIONSBANK OF TEXAS, N.A.

By:/s/ Chad E. Coben

Name: Chad E. Coben
Title: Vice President

17

DEUTSCHE BANK

By:/s/ Steven M. Godeke

Name: Steven M. Godele
Title: Vice President

By:/s/ Bina R. Dabbah

Name: Bina R. Dabbah
Title: Vice President

UNION BANK

By:/s/ Gabriel A. Renga

Name: Gabriel A. Renga
Title: Senior Vice President

THE TORONTO DOMINION BANK

By:/s/ Neva Nesbitt

Name: Neva Nesbitt
Title: Manager, Credit Administration

FLEET NATIONAL BANK OF CONNECTICUT

By:/s/ Stephen Charles

Name: Stephen Charles
Title: Senior Vice President

BARCLAYS BANK PLC

By:/s/ James K. Downy

Name: James K. Downy
Title: Associate Director

18

BANK BRUSSELS LAMBERT, NY BRANCH

By:/s/ Gerrit Verlodt

Name: Gerrit Verlodt
Title: Senior Vice President

By:/s/ Dominick H.J. Vangaever

Name: Dominick H.J. Vangaever
Title: Vice President, Credit Dept.

BANK OF MONTREAL

By:/s/ Yvonne Bos

Name: Yvonne Bos
Title: Managing Director

CREDIT LYONNAIS

By:/s/ James E. Morris

Name: James E. Morris
Title: Vice President

19

Schedule I

1. Parents Agreement, dated as of July 24, 1995, among Viacom, TCI and TCI Sub.
2. Implementation Agreement, dated as of July 24, 1995, between VII and VII Services.
3. Subscription Agreement, dated as of July 24, 1995, among VII, TCI and TCI Sub.

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PRICING
AMENDMENT

This Amendment ("Amendment"), dated as of November 17, 1995, shall be:

AMENDMENT NO. 5 to the \$6.489 BILLION CREDIT AGREEMENT, dated as of July 1, 1994, as amended, ("Parent Facility") among VIACOM INC., a Delaware corporation ("Viacom"), each of the several Banks, THE BANK OF NEW YORK, as a Managing Agent and as the Documentation Agent, CITIBANK, N.A., as a Managing Agent and as the Administrative Agent, MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as a Managing Agent, JP MORGAN SECURITIES INC., as the Syndication Agent, BANK OF AMERICA NT&SA, as a Managing Agent, the Banks identified as Agents on the signature pages thereof, as Agents, and the Banks identified as Co-Agents on the signature pages thereof, as Co-Agents.

AMENDMENT NO. 4 to the \$311 MILLION CREDIT AGREEMENT, dated as of July 1, 1994, as amended, (the "Subsidiary Facility") among VIACOM CABLEVISION OF DAYTON INC., WNYT INC., WMZQ INC., WVIT INC., AND VIACOM INTERNATIONAL INC., each a Delaware corporation (collectively "Subsidiary Borrowers"), each of the several Banks, THE BANK OF NEW YORK, as a Managing Agent and as the Documentation Agent, CITIBANK, N.A., as a Managing Agent and as the Administrative Agent, MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as a Managing Agent, JP MORGAN SECURITIES INC., as the Syndication Agent, BANK OF AMERICA NT&SA, as a Managing Agent, the Banks identified as Agents of the signature pages thereof, as Agents, and the Banks identified as Co-Agents on the signature pages thereof, as Co-Agents.

WITNESSETH:

WHEREAS, the parties who have heretofore entered into the Parent Facility and the Subsidiary Facility now desire to amend certain provisions of such agreements to provide for a change in the Applicable Eurodollar Rate Margin and Commitment Fees payable thereunder,

NOW THEREFORE, the parties hereto agree as follows:

SECTION 1. Amendments.

- (a) The definition of Applicable Eurodollar Rate Margin in

Section 1.1 of the Parent Facility and Section 1.1 of the Subsidiary Facility

are hereby amended by deleting the tables appearing therein and replacing them in each case with the following table:

CREDIT RATING -----	MARGIN -----
A-/A3 or better	0.300%
BBB+/Baa1	0.375%
BBB/Baa2	0.450%
BBB-/Baa3	0.500%
BB+/Ba1	0.750%
BB/Ba2	0.875%
BB-/Ba3 or lower	1.250%

(b) Section 5.4 (a) of the Parent Facility and Section 3.4(a) of the Subsidiary Facility are hereby amended by deleting the tables appearing therein and replacing them in each case with the following table:

CREDIT RATING -----	COMMITMENT FEE -----
A-/A3 or better	0.1250%
BBB+/Baa1	0.1500%
BBB/Baa2	0.1875%
BBB-/Baa3	0.2000%
BB+/Ba1	0.3125%
BB/Ba2	0.3500%
BB-/Ba3 or lower	0.4000%

SECTION 2. Effectiveness. This Amendment will be effective upon the execution hereof by each of Viacom, each Subsidiary Borrower, VII and VII Services and each of the Banks.

SECTION 3. Representations and Warranties. Each of Viacom, the Subsidiary Borrowers and the Guarantor Subsidiary hereby represents and warrants that as of the date hereof, both before and after giving effect to this Amendment no Default or Event of Default shall exist or be continuing under the Parent Facility or the Subsidiary Facility.

SECTION 4. Miscellaneous. (a) Capitalized terms used herein and not

otherwise defined herein shall have the meanings ascribed to them in each of the Parent Facility and the Subsidiary Facility.

(b) Except as amended hereby, all of the terms of each of the Parent Facility and the Subsidiary Facility shall remain and continue in full force and effect and are hereby confirmed in all respects.

(c) This Amendment shall be a Loan Document for the purposes of the Parent Facility and the Subsidiary Facility.

(d) This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto were upon the same instrument. Delivery of an executed counterpart of a signature page of this Amendment by telecopier shall be effective as delivery of a manually executed counterpart of this Amendment.

(e) THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 5. Guarantor Subsidiary Confirmation. By signing below, the Guarantor Subsidiary hereby agrees to the terms of the foregoing Amendment and confirms that the VII Guarantee remains in full force and effect.

SECTION 6. Viacom Inc. Confirmation. By signing below, Viacom Inc., as guarantor under the Parent Guaranty ("Parent Guarantor"), hereby agrees to the terms of the foregoing Amendment and confirms that the Parent Guaranty remains in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

VIACOM INC., as Borrower and Parent Guarantor

By: /s/ Vaughn A. Clarke

Name: Vaughn A. Clarke
Title: Senior Vice President

3

VIACOM INTERNATIONAL INC., as a Subsidiary
Borrower and as a Guarantor Subsidiary

By: /s/ Vaughn A. Clarke

Name: Vaughn A. Clarke
Title: Senior Vice President

On behalf of the following Subsidiary Borrowers:

VIACOM CABLEVISION OF DAYTON INC.,

WNYT INC.,

WMZQ INC. and

WVIT INC.,

By: /s/ Vaughn A. Clarke

Name: Vaughn A. Clarke
Title: Senior Vice President

VIACOM INTERNATIONAL SERVICES INC.

By: /s/ Vaughn A. Clarke

Name: Vaughn A. Clarke
Title: Senior Vice President

CREDIT SUISSE

By: /s/ J. Hamilton Crawford

Name: J. Hamilton Crawford
Title: Associate

4

SOCIETE GENERALE

By:/s/ Elaine I. Khalil

Name: Elaine I. Khalil
Title: Vice President

THE BANK OF NEW YORK

By:/s/ Geoffrey C. Brooks

Name: Geoffrey C. Brooks
Title: Vice President

THE BANK OF TOKYO TRUST COMPANY

By:/s/ John P. Judge

Name: John P. Judge
Title: Vice President

FIRST INTERSTATE BANK OF WASHINGTON

By:/s/ Susan Hendrixson

Name: Susan Hendrixson
Title: Vice President

5

UNION BANK OF SWITZERLAND

By:/s/ Stephen A. Cayer

Name: Stephen A. Cayer
Title: Assistant Treasurer

By:/s/ Peter B. Yearly

Name: Peter B. Yearly

Title: Vice President

THE YASUDA TRUST & BANKING CO., LTD

By:/s/ Gerald Gill

Name: Gerald Gill
Title: Vice President

BAYERISCHE VEREINSBANK AG

By:/s/ John Carlson

Name: John Carlson
Title: Vice President

By:/s/

Name:
Title: Vice President

LLOYDS BANK, PLC

By:/s/ Paul D. Brianente

Name: Paul D. Brianente
Title: Vice President

By:/s/ Theodore R. Walser

Name: Theodore R. Walser
Title: Senior Vice President

6

MITSUBISHI BANK, LTD.

By:/s/ Paula Mueller

Name: Paula Mueller
Title:

THE MITSUBISHI TRUST AND BANKING CORPORATION

By:/s/ Patricia Loret De Mola

Name: Patricia Loret De Mola
Title: Senior Vice President

NATWEST BANK, N.A.

By:/s/ Michael A. Cerullo

Name: Michael A. Cerullo
Title: Vice President

PNC BANK, NATIONAL ASSOCIATION

By:/s/ Karen M. Wolters

Name: Karen M. Wolters
Title: Vice President

THE SUMITOMO TRUST AND BANKING CO., LTD.

By:/s/ Suraj P. Bhatia

Name: Suraj P. Bhatia
Title: Senior VP, Mgr. Corp.
Finance Dept

7

THE SUMITOMO BANK, LTD.

By:/s/ S. Higashi

Name: S. Higashi
Title: Joint General Manager

CORESTATES BANK, N.A.

By:/s/ Edward L. Kittrell

Name: Edward L. Kittrell
Title: Vice President

BANQUE FRANCAISE DU COMMERCE EXTERIEUR

By:/s/ Peter Karl Harris

Name: Peter Karl Harris
Title: Vice President

By:/s/ William C. Maier

Name: William C. Maier

Title: VP-Group Manager

THE NIPPON CREDIT BANK, LTD.

By:/s/ Bernardo E. Correa-Henschke

Name: Bernardo E. Correa-Henschke
Title: Vice President & Manager

THE SAKURA BANK, LTD.

By:/s/ Hiroshi Shimazaki

Name: Hiroshi Shimazaki
Title: Senior Vice President
& Manager

8

DEN DANSKE BANK

By:/s/ Mogens Sondergaard

Name: Mogens Sondergaard
Title: Vice President

By:/s/ Bent V. Christensen

Name: Bent V. Christensen
Title: Vice President

THE ROYAL BANK OF CANADA

By:/s/ Cynthia K. Wong

Name: Cynthia K. Wong
Title: Manager

THE SANWA BANK, LTD.

By: /s/ Dominic J. Sorresso

Name: Dominic J. Sorresso
Title: Vice President

TOKAI BANK, LTD.

By:/s/ Stuart Schulman

Name: Stuart Schulman
Title: Senior Vice President

CHEMICAL BANK

By:/s/ John J. Huber III

Name: John J. Huber III
Title: Managing Director

9

THE DAI-CHI KANGYO BANK, LTD.

By:/s/ Ronald Wolinsky

Name: Ronald Wolinsky
Title: Vice President & Group Leader

FIRST HAWAIIAN BANK

By:/s/ William B. Schink

Name: William B. Schink
Title: Vice President

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

By:/s/ R. BLake Witherington

Name: R. BLake Witherington
Title: Vice President

CITIBANK, N.A.

By:/s/ Margaret C. Ullrich

Name: Margaret C. Ullrich
Title: Vice President

RIGGS NATIONAL BANK

By:/s/ David H. Olson

Name: David H. Olson
Title: Vice President

FIRST UNION NATIONAL BANK OF NORTH CAROLINA

By:/s/ Jim P. Wedman

Name: Jim P. Wedman
Title: Senior Vice President

MELLON BANK, N.A.

By: /s/ G. Luis Ashley

Name: G. Luis Ashley
Title: First Vice President

COMPAGNIE FINANCIERE DE CIC ET DE L'UNION
EUROPENNE

By:/s/ Brian O'Leary

Name: Brian O'Leary
Title: Vice President

By:/s/ Marcus Edward

Name: Marcus Edward
Title: Vice President

VAN KAMPEN AMERICAN CAPITAL PRIME RATE INCOME
TRUST

By:/s/ Jeffrey W. Maillet

Name: Jeffrey W. Maillet
Title: Sr. Vice Pres.
& Portfolio Mgr.

CIBC, INC.

By:/s/ John Tyler

Name: John Tyler
Title: Vice President

THE BANK OF NOVA SCOTIA

By:/s/ Vincent Fitzgerald, Jr.

Name: Vincent Fitzgerald, Jr.
Title: Authorized Signatory

THE FUJI BANK, LTD.

By:/s/ Katsunori Nozawa

Name: Katsunori Nozawa
Title: Vice President & Manager

THE LONG-TERM CREDIT BANK OF JAPAN, LTD.

By:/s/ John A. Krob

Name: John A. Krob
Title: Deputy General Manager

BANQUE NATIONALE DE PARIS

By:/s/ John S. McGill

Name: John S. McGill
Title: Vice President

By:/s/ Nancy L. Stengel

Name: Nancy L. Stengel
Title: Assistant Treasurer

12

BANK OF HAWAII

By:/s/ J. Bryan Searce

Name: J. Bryan Searce
Title: Vice President

BANK OF AMERICA

By:/s/ Amy S. Trapp

Name: Amy S. Trapp
Title: Vice President

NATIONSBANK OF TEXAS, N.A.

By:/s/ Chad E. Coben

Name: Chad E. Coben
Title: Vice President

DEUTSCHE BANK

By:/s/ Steven M. Godeke

Name: Steven M. Godele
Title: Vice President

By:/s/ Bina R. Dabbah

Name: Bina R. Dabbah
Title: Vice President

UNION BANK

By:/s/ Gabriel A. Renga

Name: Gabriel A. Renga
Title: Senior Vice President

13

THE TORONTO DOMINION BANK

By:/s/ Neva Nesbitt

Name: Neva Nesbitt
Title: Manager, Credit Administration

By:/s/ Cindy D. Hewitt

Name: Cindy D. Hewitt
Title: Vice President

FLEET NATIONAL BANK OF CONNECTICUT

By:/s/ Stephen Charles

Name: Stephen Charles
Title: Senior Vice President

BARCLAYS BANK PLC

By:/s/ James K. Downy

Name: James K. Downy
Title: Associate Director

BANK BRUSSELS LAMBERT

By:/s/ Dominick H. J. Vangaever

Name: Dominick H. J. Vangaever
Title: Vice President

BANK OF MONTREAL

By:/s/ Yvonne Bos

Name: Yvonne Bos
Title: Managing Director

14

CREDIT LYONNAIS

By:/s/ James E. Morris

Name: James E. Morris
Title: Vice President

15

AMENDMENT NO. 1

AMENDMENT NO. 1, dated as of May 15, 1995 ("Amendment No. 1"), to the \$1.8 BILLION CREDIT AGREEMENT, dated as of September 29, 1994 (the "Credit Agreement"), among VIACOM INC., a Delaware corporation ("Viacom"), each of the several Banks, THE BANK OF NEW YORK, as a Managing Agent and as the Documentation Agent, CITIBANK, N.A., as a Managing Agent and as the Administrative Agent, MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as a Managing Agent, JP MORGAN SECURITIES INC., as the Syndication Agent, BANK OF AMERICA NT&SA, as a Managing Agent, and the Banks identified as Agents on the signature pages thereof, as Agents.

W I T N E S S E T H:

WHEREAS, Viacom has requested certain amendments to be made to certain provisions of the Credit Agreement; and

WHEREAS, the parties who have heretofore entered into the Credit Agreement now desire to amend such provisions of such agreement.

NOW, THEREFORE, the parties hereto agree as follows:

SECTION 1. Amendments. (a) The definition of EBIDT in Section 1.1 of the Credit Agreement is hereby amended by:

(i) deleting clause (a)(ii) in its entirety and replacing it with the following:

"(ii) amortization expense (including all amortization expenses recognized in accordance with APB 16 and 17 but excluding (A) all other amortization of programming, production and pre-publication costs and (B) amortization of videocassettes)";

and

(ii) deleting the phrase ", less (c) Net Video Tape Purchases" after the word "definition" at the end of clause (b).

(b) Section 1.1 of the Credit Agreement is hereby amended to delete the definition of Net Video Tape Purchases.

(c) The definition of "Applicable Eurodollar Rate Margin" in Section 1.1 of the Credit Agreement is hereby amended by deleting the proviso in its entirety and replacing it with the following:

"provided, however, that if the ratings assigned by S&P and Moody's shall differ, the Credit Rating shall be the rating which is the higher rating".

(d) Section 3.4 (a) of the Credit Agreement is hereby amended by deleting the proviso in its entirety and replacing it with the following:

"provided, however, that if the ratings assigned by S&P and Moody's shall differ, the Credit Rating shall be the rating which is the higher rating".

(e) Section 8.6 of the Credit Agreement is hereby amended by replacing it in its entirety with the following:

"8.6.Subsidiary Indebtedness. The Borrower shall not permit any of its Subsidiaries, other than a Guarantor Subsidiary, to incur Indebtedness for borrowed money other than (a) the Subsidiary Loans (as defined in the July Agreements), (b) under existing facilities

identified on Schedule 8.6 or any replacement facilities thereto which in the aggregate do not exceed the amounts of the commitments reflected on such Schedule and (c) Indebtedness for borrowed money in the total amount of \$25 million for all Subsidiaries other than a Guarantor Subsidiary."

(f) Section 8.7 of the Credit Agreement is hereby amended by inserting the following after the words "Commercial Paper" in the parentheses:

"and up to \$500 million of Indebtedness with maturities of no less than seven years from the date such Indebtedness is incurred".

SECTION 2. Effectiveness. This Amendment No. 1 will be effective upon the execution thereof by each of Viacom, the Guarantor Subsidiary and (i) except in the case of the amendments contained in Sections 1(c) and (d) hereof, the

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Majority Banks and (ii) in the case of the amendments contained in Sections 1(c) and (d) hereof, each of the Banks.

SECTION 3. Representations and Warranties. Each of the Borrower and the Guarantor Subsidiary hereby represents and warrants that as of the date hereof, both before and after giving effect to this Amendment No. 1, no Default or Event of Default shall exist or be continuing under the Credit Agreement.

SECTION 4. Miscellaneous. (a) Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement.

(b) Except as amended hereby, all of the terms of the Credit Agreement shall remain and continue in full force and effect and are hereby confirmed in all respects.

(c) This Amendment No. 1 shall be a Loan Document for the purposes of the Credit Agreement.

(d) This Amendment No. 1 may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto were upon the same instrument. Delivery of an executed counterpart of a signature page of this Amendment No. 1 by telecopier shall be effective as delivery of a manually executed counterpart of this Amendment No. 1.

(e) THIS AMENDMENT NO. 1 AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 5. Guarantor Subsidiary Confirmation. By signing below, the Guarantor Subsidiary hereby agrees to the terms of the foregoing Amendment No. 1 and confirms that the VII Guarantee remains in full force and effect.

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

VIACOM INC., as Borrower

VIACOM INTERNATIONAL INC., as a Subsidiary

Guarantor

By: /s/ Vaughn A. Clark

Name: Vaughn A. Clark
Title: Senior Vice President,
Treasurer

Managing Agents

THE BANK OF NEW YORK, as Managing Agent, the
Documentation Agent and a Bank

By: /s/ Geoffrey C. Brooks

Name: Geoffrey C. Brooks
Title: Vice President

CITIBANK, N.A., as Managing Agent, the
Administrative Agent and a Bank

By: /s/ Margaret C. Ullrich

Name: Margaret C. Ullrich
Title: Vice President

4

MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as
Managing Agent and a Bank

By: /s/ Mathias Blumschein

Name: Mathias Blumschein
Title: Associate

BANK OF AMERICA NT&SA, as Managing Agent and a
Bank

By: /s/ Amy S. Trapp

Name: Amy S. Trapp
Title: Vice President

Syndication Agent

JP MORGAN SECURITIES INC., as the Syndication
Agent

By: /s/ Barbara J. Asch

Name: Barbara J. Asch
Title:Vice President

Agents

BANK OF MONTREAL, as Agent and a Bank

By: /s/ Yvonne Bos

Name: Yvonne Bos
Title:Managing Director

5

THE BANK OF NOVA SCOTIA, as Agent and a Bank

By: /s/ Vince J. Fitzgerald

Name: Vince J. Fitzgerald
Title: Senior Relationship Mgr.

BANK OF TOKYO TRUST COMPANY, as Agent and a Bank

By: /s/ Charles Poer

Name: Charles Poer
Title: Vice President & Manager

BANQUE PARIBAS, as Agent and a Bank

By: /s/ Nicole Cawley

Name: Nicole Cawley
Title:Vice President

By: /s/ Cynthia D. Hewitt

Name: Cynthia D. Hewitt
Title: Vice President

BARCLAYS BANK PLC, as Agent and a Bank

By: /s/ Michael W. Ballard

Name: Michael W. Ballard
Title:Associate Director

THE CHASE MANHATTAN BANK (NATIONAL ASSOCIATION),
as Agent and a Bank

By: /s/ Bruce Longenkamp

Name: Bruce Longenkamp
Title: Vice President

6

CHEMICAL BANK, as Agent and a Bank

By: /s/ Mary E. Cameron

Name: Mary E. Cameron
Title: Vice President

CREDIT LYONNAIS CAYMAN ISLAND BRANCH, as Agent
and a Bank

By: /s/ M. Bernadette Collins

Name: M. Bernadette Collins
Title: Authorized Signature

THE DAI-ICHI KANGYO BANK LTD., NEW YORK BRANCH,
as Agent and a Bank

By: /s/ Shinya Wako

Name: Shinya Wako
Title: Senior Vice President
and Department Head

THE FUJI BANK, LIMITED, as Agent and a Bank

By: /s/ Kazuaki Kitabatake

Name: Kazuaki Kitabatake
Title: Joint General Manager

7

THE INDUSTRIAL BANK OF JAPAN, LTD., as Agent and
a Bank

By: /s/ Jeffrey Cole

Name: Jeffrey Cole
Title: Senior Vice President

LTCB TRUST COMPANY, as Agent and a Bank

By: /s/ John A. Krob

Name: John A. Krob
Title: Senior Vice President

MELLON BANK, N.A., as Agent and a Bank

By: /s/ G. Luis Ashley

Name: G. Luis Ashley
Title: First Vice President

THE MITSUBISHI BANK, LIMITED, as Agent and a Bank

By: /s/ Paula Mueller

Name: Paula Mueller
Title: Vice President

8

THE MITSUBISHI TRUST & BANKING CORPORATION, as
Agent and a Bank

By: /s/ Patricia Loret de Mola
Name: Patricia Loret de Mola
Title: Senior Vice President

NATIONSBANK OF TEXAS, N.A., as Agent and a Bank

By: /s/ Chad E. Coben

Name: Chad E. Coben
Title: Vice President

THE NIPPON CREDIT BANK, LTD., LOS ANGELES AGENCY,
as Agent and a Bank

By: /s/ Bernardo E. Correa-Henschke

Name: Bernardo E. Correa-Henschke
Title: Vice President and Manager

ROYAL BANK OF CANADA, as Agent and a Bank

By: /s/ Eduardo Salazar

Name: Eduardo Salazar
Title: Senior Manager

9

THE SAKURA BANK, LIMITED, as Agent and a Bank

By: /s/ Hiroshi Shimazaki

Name: Hiroshi Shimazaki
Title: Senior Vice President and Manager

THE SANWA BANK, LTD., as Agent and a Bank

By: /s/ Dominic J. Sorresso

Name: Dominic J. Sorresso
Title: Vice President

SOCIETE GENERALE, as Agent and a Bank

By: /s/ Pascale Hainline

Name: Pascale Hainline
Title: Vice President

THE SUMITOMO BANK, LIMITED, NEW YORK BRANCH, as
Agent and a Bank

By: /s/ S. Higashi

Name: S. Higashi
Title: Joint General Manager

THE TOKAI BANK, LIMITED, NEW YORK BRANCH, as
Agent and a Bank

By: /s/ Masaharu Muto

Name: Masaharu Muto
Title: Deputy General Manager

THE TORONTO-DOMINION BANK, as Agent and a Bank

By: /s/ Neva Nesbitt

Name: Neva Nesbitt
Title: Manager Credit Admin.

UNION BANK, as Agent and a Bank

By: /s/ J. Kevin Sampson

Name: J. Kevin Sampson
Title:

UNION BANK OF SWITZERLAND, as Agent and a Bank

By: /s/ James P. Kelleher

Name: James P. Kelleher
Title: Assistant Vice President

By: /s/ Peter B. Yearley

Name: Peter B. Yearley
Title: Vice President

CREDIT SUISSE, as Agent and a Bank

By: /s/ Michael C. Mast

Name: Michael C. Mast
Title: Member of Senior Management

By: /s/ Kristina Catlin

Name: Kristina Catlin
Title: Associate

DEUTSCHE BANK AG, through its New York and/or
Cayman Islands Branch, as Agent and a Bank

By: /s/ Steven M. Godeke

Name: Steven M. Godeke
Title: Vice President

By: /s/ Bina R. Dabbah

Name: Bina R. Dabbah
Title: Vice President

FIRST INTERSTATE BANK OF WASHINGTON, N.A.

By: /s/ Susan Hendrixson

Name: Susan Hendrixson
Title: Vice President

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AMENDMENT

This Amendment ("Amendment"), dated as of November 17, 1995, shall be:

AMENDMENT NO. 2 to the \$1.8 BILLION CREDIT AGREEMENT, dated as of September 29, 1994, as amended, (the "Credit Agreement") among VIACOM Inc., a Delaware corporation ("Viacom"), each of the several Banks, THE BANK OF NEW YORK, as a Managing Agent and as the Documentation Agent, CITIBANK, N.A., as a Managing Agent and as the Administrative Agent, MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as a Managing Agent, JP MORGAN SECURITIES INC., as the Syndication Agent, BANK OF AMERICA NT&SA, as a Managing Agent, the Banks identified as Agents of the signature pages thereof, as Agents.

WITNESSETH:

WHEREAS, Viacom, Viacom International Inc., a wholly-owned subsidiary of Viacom ("VII"), Viacom International Services Inc., a wholly-owned subsidiary of VII ("VII Services"), Tele-Communications Inc. ("TCI"), and TCI Communications Inc. ("TCI Sub"), a wholly -owned subsidiary of TCI, have entered into a series of agreements ("the Transaction Documents", which are listed on Schedule I attached hereto) pursuant to which (i) VII will convey to VII Services proceeds from the \$1.7 billion bank debt described below and all of its assets relating to business operations other than the cable television business (the "Non Cable Businesses"), and VII Services will assume all of VII's liabilities (including its existing public debt and bank debt) other than the \$1.7 Billion bank debt described below and liabilities relating to the cable television business (the "Cable Business"), (ii) VII will distribute the stock of VII Services to Viacom (the "First Distribution"), (iii) VII, after giving effect to the First Distribution, will be solely engaged in the Cable Business and VII will be recapitalized with new VII Class A common stock, (iv) the Class A common stock of VII will be split off to the shareholders of Viacom in an exchange offer (the "Exchange Offer") in which shares of Viacom common stock will be exchanged for shares of VII Class A common stock, (v) VII prior to the expiration of the Exchange Offer will borrow \$1.7 billion from a syndicate of lenders, the proceeds of which will be deposited in a secured collateral account

until the date of consummation of the Exchange Offer when VII will transfer such proceeds to VII Services as described above, and (vi) immediately after the split off, TCI has agreed to purchase Class B common stock of VII and the Class A common stock will be automatically converted upon such purchase into preferred stock, and (vii) VII will no longer be a subsidiary of Viacom and will be renamed TCI Pacific Communications Inc. and VII Services will be renamed Viacom International Inc. (collectively the "Cable Transaction"); and

WHEREAS, Viacom has requested certain amendments to be made to and certain consents obtained with respect to certain provisions of the Credit Agreement; and

WHEREAS, the parties who have heretofore entered into the Credit Agreement now desire to amend certain provisions of such agreement and for the Majority Banks to consent to the waiver of the application of certain other provisions in connection with the Cable Transaction

NOW THEREFORE, the parties hereto agree as follows:

SECTION 1. Amendments.

(a) Section 8.6 of the Credit Agreement is hereby amended by replacing it in its entirety with the following:

"8.6. Subsidiary Indebtedness. The Borrower shall not permit any of its Subsidiaries, other than the Guarantor Subsidiary, to incur Indebtedness for borrowed money other than (a) the Subsidiary Loans (as defined in the Subsidiary Facility), (b) under existing facilities identified on Schedule 8.6 to this Amendment No. 2 or any replacement facilities thereto which in the aggregate do not exceed the amounts of the commitments on such Schedule and (c) Indebtedness for borrowed money in an aggregate amount at any time outstanding of not more than \$300 million; provided, however, the aggregate amount of Indebtedness for borrowed money scheduled to mature earlier than six months after the Commitment Termination Date at any time permitted to be outstanding under 8.6(c) and 8.7(b) may not exceed \$300 million.

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(b) Section 8.7 of the Credit Agreement is hereby amended by replacing it in its entirety with the following:

"8.7. Other Restrictions on Indebtedness. The Borrower shall not, and shall not permit the Guarantor Subsidiary to, incur Indebtedness for borrowed money maturing earlier than six months after the Commitment Termination Date other than (a) Commercial Paper and (b) up to \$300 million at any time outstanding (less the aggregate amount outstanding under 8.6(c) scheduled to mature earlier than six months after the Commitment Termination Date) and on terms no more onerous than the terms hereof."

(c) Section 11.1 of the Credit Agreement is hereby amended by deleting the word "or" preceding clause (f) therein, and inserting the following new clause (g): "or (g) amend clause (i) of Section 11.6".

(d) Clause (i) of Section 11.6 of the Credit Agreement is hereby amended to read in its entirety as follows: "the Borrower shall have no right to assign its rights or obligations hereunder or any interest herein (and any such purported assignment shall be void) without the prior consent of the Banks except in connection with any (x) merger or consolidation permitted under Section 10.2 or the (y) merger, consolidation or sale of assets consented to by the Majority Banks".

SECTION 2. Consents. In connection with the Cable Transaction:

(a) On the Cable Transaction Effective Date, the Guarantor Subsidiary may assign all of its rights and obligations under the VII Guaranty

to VII Services (which will change its name to Viacom International Inc.) if in connection therewith VII Services (i) assumes all of the obligations of VII under the VII Guaranty and (ii) receives an assignment of the Non Cable Businesses. VII Services will become the Guarantor Subsidiary and VII will be released from all of its obligations thereunder.

(b) Prior to the expiration of the Exchange Offer, VII may borrow \$1.7 billion from a syndicate of banks on terms permitted pursuant to the Transaction Documents substantially in the form of those in effect at the date hereof and may grant such banks a Lien on such funds until they are released to

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VII Services on the date of consummation of the Exchange Offer and a Lien on rights under the Subscription Agreement referred to in Schedule I.

(c) After the Cable Transaction Effective Date, VII Services may hold certain cable franchises for the benefit of VII until regulatory approvals are obtained and may assign the receivables related to such franchises to the banks lending to VII.

(d) For purposes of the Credit Agreement, the \$1.7 Billion loan to VII shall not be considered Indebtedness of the Borrower or any of its Subsidiaries.

Upon the execution and delivery hereof by the Majority Banks, the Majority Banks shall have consented to each of the foregoing relating to the Cable Transaction and, to the extent any of the matters described in (a) - (e) above are otherwise inconsistent with the terms of the Credit Agreement, as hereby amended, this Amendment shall constitute a waiver of the provisions thereof to the extent necessary to permit the Cable Transaction.

SECTION 3. Assumption of Liabilities. As of the Cable Transaction Effective Date, VII Services hereby expressly assumes and agrees to pay, satisfy and perform when due all liabilities of VII under each Loan Document to which VII is a party. For purposes of clarity, VII's obligations under the \$1.7 billion bank debt described above will not be assumed by VII Services.

SECTION 4. Effectiveness This Amendment will be effective upon the execution hereof by each of Viacom, the Guarantor Subsidiary, VII Services, and the Majority Banks.

SECTION 5. Representations and Warranties Each of the Borrower and the Guarantor Subsidiary hereby represents and warrants that (i) as of the date hereof, both before and after giving effect to this Amendment, and (ii) as of the date of, and after giving effect to consummation of, the Cable Transaction, no Default or Event of Default shall exist or be continuing under the Credit Agreement.

SECTION 6. Miscellaneous. (a) Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement.

(b) Except as amended or waived hereby, all of the terms of the

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Credit Agreement shall remain and continue in full force and effect and are hereby confirmed in all respects.

(c) This Amendment shall be a Loan Document for the purposes of the Credit Agreement.

(d) This Amendment may be signed in any number of counterparts,

each of which shall be an original, with the same effect as if the signatures thereto were upon the same instrument. Delivery of an executed counterpart of a signature page of this Amendment by telecopier shall be effective as delivery of a manually executed counterpart of this Amendment.

(e) THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 7. Covenant. Viacom shall within two Business Days following the Cable Transaction Effective Date deliver to the Documentation Agent, dated as of the Cable Transaction Effective Date, as to VII Services only:

(i) each of the documents referred to in Section 4.1(a), (b) and (c) of the Credit Agreement;

(ii) a favorable opinion of Shearman & Sterling, special counsel to the Loan Parties, with respect to this Amendment substantially to the same effect as contemplated by paragraph 1 of Exhibit E-1 to the Credit Agreement; and

(iii) a favorable opinion of Philippe P. Dauman, General Counsel to the Loan Parties, with respect to this Amendment substantially to the same effect as contemplated by paragraphs 1 - 6 of Exhibit E-2 to the Credit Agreement.

SECTION 8. Guarantor Subsidiary Confirmation. By signing below, the Guarantor Subsidiary hereby agrees to the terms of the foregoing Amendment and confirms that the VII Guarantee remains in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

VIACOM INC., as Borrower

By: /s/ Vaughn A. Clarke

Name: Vaughn A. Clarke
Title: Senior Vice President

VIACOM INTERNATIONAL INC., as a Subsidiary
Borrower and as a Guarantor Subsidiary

By: /s/ Vaughn A. Clarke

Name: Vaughn A. Clarke
Title: Senior Vice President

On behalf of the following Subsidiary Borrowers:

VIACOM CABLEVISION OF DAYTON INC.,

WNYT INC.,

WMZQ INC. and

WVIT INC.,

By: /s/ Vaughn A. Clarke

Name: Vaughn A. Clarke
Title: Senior Vice President

VIACOM INTERNATIONAL SERVICES INC.

By:/s/ Vaughn A. Clarke

Name: Vaughn A. Clarke
Title: Senior Vice President

CREDIT SUISSE

By:/s/ J. Hamilton Crawford

Name: J. Hamilton Crawford
Title: Associate

6

SOCIETE GENERALE

By:/s/ Elaine I. Khalil

Name: Elaine I. Khalil
Title: Vice President

THE BANK OF NEW YORK

By:/s/ Geoffrey C. Brooks

Name: Geoffrey C. Brooks
Title: Vice President

THE BANK OF TOKYO TRUST COMPANY

By:/s/ John P. Judge

Name: John P. Judge
Title: Vice President

THE TOYO TRUST & BANKING CO., LTD.

By:/s/ Hiroyuki Fukuro

Name: Hiroyuki Fukuro
Title: Vice President

FIRST INTERSTATE BANK OF WASHINGTON

By:/s/ Susan Hendrixson

Name: Susan Hendrixson
Title: Vice President

7

UNION BANK OF SWITZERLAND

By:/s/ Stephen A. Cayer

Name: Stephen A. Cayer
Title: Assistant Treasurer

By:/s/ Peter B. Yearly

Name: Peter B. Yearly
Title: Vice President

NETBANK, LTD.

By:/s/ Paula Mueller

Name: Paula Mueller
Title:

THE MITSUBISHI TRUST AND BANKING CORPORATION

By:/s/ Patricia Loret De Mola

Name: Patricia Loret De Mola
Title: Senior Vice President

THE SUMITOMO BANK, LTD.

By:/s/ S. Higashi

Name: S. Higashi
Title: Joint General Manager

THE NIPPON CREDIT BANK, LTD.

By:/s/ Bernardo E. Correa-Henschke

Name: Bernardo E. Correa-Henschke
Title: Vice President & Manager

THE SAKURA BANK, LTD.

By: /s/ Hiroshi Shimazaki

Name: Hiroshi Shimazaki
Title: Senior Vice President
& Manager

THE ROYAL BANK OF CANADA

By: /s/ Cynthia K. Wong

Name: Cynthia K. Wong
Title: Manager

THE SANWA BANK, LTD.

By: /s/ Dominic J. Sorresso

Name: Dominic J. Sorresso
Title: Vice President

TOKAI BANK, LTD.

By: /s/ Stuart Schulman

Name: Stuart Schulman
Title: Senior Vice President

CHEMICAL BANK

By: /s/ John J. Huber III

Name: John J. Huber III
Title: Managing Director

THE DAI-CHI KANGYO BANK, LTD.

By: /s/ Ronald Wolinsky

Name: Ronald Wolinsky
Title: Vice President & Group Leader

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

By:/s/ R. BLake Witherington

Name: R. BLake Witherington
Title: Vice President

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CITIBANK, N.A.

By:/s/ Margaret C. Ullrich

Name: Margaret C. Ullrich
Title: Vice President

MELLON BANK, N.A.

By: /s/ G. Luis Ashley

Name: G. Luis Ashley
Title: First Vice President

COMPAGNIE FINANCIERE DE CIC ET DE L'UNION
EUROPENNE

By:/s/ Brian O'Leary

Name: Brian O'Leary
Title: Vice President

By:/s/ Marcus Edward

Name: Marcus Edward
Title: Vice President

THE BANK OF NOVA SCOTIA

By:/s/ Vincent Fitzgerald, Jr.

Name: Vincent Fitzgerald, Jr.
Title: Authorized Signatory

THE FUJI BANK, LTD.

By:/s/ Katsunori Nozawa

Name: Katsunori Nozawa
Title: Vice President & Manager

THE LONG-TERM CREDIT BANK OF JAPAN, LTD.

By:/s/ John A. Krob

Name: John A. Krob
Title: Deputy General Manager

BANK OF AMERICA

By:/s/ Amy S. Trapp

Name: Amy S. Trapp
Title: Vice President

NATIONSBANK OF TEXAS, N.A.

By:/s/ Chad E. Coben

Name: Chad E. Coben
Title: Vice President

DEUTSCHE BANK

By:/s/ Steven M. Godeke

Name: Steven M. Godele
Title: Vice President

By:/s/ Bina R. Dabbah

Name: Bina R. Dabbah
Title: Vice President

UNION BANK

By:/s/ Gabriel A. Renga

Name: Gabriel A. Renga
Title: Senior Vice President

THE TORONTO DOMINION BANK

By:/s/ Neva Nesbitt

Name: Neva Nesbitt
Title: Manager, Credit Admin.

BANQUE PARIBAS

By:/s/ Eileen M. Burke

Name: Eileen M. Burke
Title: Vice President

By:/s/ Cindy D. Hewitt

Name: Cindy D. Hewitt
Title: Vice President

BARCLAYS BANK PLC

By:/s/ James K. Downy

Name: James K. Downy
Title: Associate Director

BANK OF MONTREAL

By:/s/ Yvonne Bos

Name: Yvonne Bos
Title: Managing Director

13

CREDIT LYONNAIS

By:/s/ James E. Morris

Name: James E. Morris
Title: Vice President

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Schedule I

1. Parents Agreement, dated as of July 24, 1995, among Viacom, TCI

and TCI Sub.

2. Implementation Agreement, dated as of July 24, 1995, between VII and VII Services.

3. Subscription Agreement, dated as of July 24, 1995, among VII, TCI and TCI Sub.

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PRICING
AMENDMENT

This Amendment ("Amendment"), dated as of November 17, 1995, shall be:

AMENDMENT NO. 3 to the \$1.8 BILLION CREDIT AGREEMENT, dated as of September 29, 1994, as amended, (the "Credit Agreement") among VIACOM Inc., a Delaware corporation ("Viacom"), each of the several Banks, THE BANK OF NEW YORK, as a Managing Agent and as the Documentation Agent, CITIBANK, N.A., as a Managing Agent and as the Administrative Agent, MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as a Managing Agent, JP MORGAN SECURITIES INC., as the Syndication Agent, BANK OF AMERICA NT&SA, as a Managing Agent, the Banks identified as Agents of the signature pages thereof, as Agents.

WITNESSETH:

WHEREAS, the parties who have heretofore entered into the Credit Agreement now desire to amend certain provisions of such agreement to provide for a change in the Applicable Eurodollar Rate Margin and Commitment Fees payable thereunder

NOW THEREFORE, the parties hereto agree as follows:

SECTION 1. Amendments.

(a) The definition of Applicable Eurodollar Rate Margin in section 1.1 of the Credit Agreement is hereby amended by deleting the table appearing therein and replacing it with the following table:

CREDIT RATING -----	MARGIN -----
A-/A3 or better	0.300%
BBB+/Baa1	0.375%
BBB/Baa2	0.450%
BBB-/Baa3	0.500%
BB+/Ba1	0.750%
BB/Ba2	0.875%
BB-/Ba3 or lower	1.250%

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(b) Section 3.4(a) of the Credit Agreement is hereby amended by deleting the table appearing therein and replacing it with the following table:

CREDIT RATING -----	COMMITMENT FEE -----
A-/A3 or better	0.1250%
BBB+/Baa1	0.1500%
BBB/Baa2	0.1875%

BBB-/Baa3	0.2000%
BB+/Ba1	0.3125%
BB/Ba2	0.3500%
BB-/Ba3 or lower	0.4000%

SECTION 2. Effectiveness This Amendment will be effective upon the execution hereof by each of Viacom, the Guarantor Subsidiary, VII Services, and each of the Banks.

SECTION 3. Representations and Warranties Each of the Borrower and the Guarantor Subsidiary hereby represents and warrants that as of the date hereof, both before and after giving effect to this Amendment no Default or Event of Default shall exist or be continuing under the Credit Agreement.

SECTION 4. Miscellaneous. (a) Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Credit Agreement.

(b) Except as amended hereby, all of the terms of the Credit Agreement shall remain and continue in full force and effect and are hereby confirmed in all respects.

(c) This Amendment shall be a Loan Document for the purposes of the Credit Agreement.

(d) This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto were upon the same instrument. Delivery of an executed counterpart of a signature page of this Amendment by telecopier shall be effective as delivery of a manually executed counterpart of this Amendment.

(e) THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 5. Guarantor Subsidiary Confirmation. By signing below, the Guarantor Subsidiary hereby agrees to the terms of the foregoing Amendment and confirms that the VII Guarantee remains in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

VIACOM INC., as Borrower

By: /s/ Vaughn A. Clarke

Name: Vaughn A. Clarke
Title: Senior Vice President

VIACOM INTERNATIONAL INC., as a Subsidiary
Borrower and as a Guarantor Subsidiary

By: /s/ Vaughn A. Clarke

Name: Vaughn A. Clarke
Title: Senior Vice President

On behalf of the following Subsidiary Borrowers:
VIACOM CABLEVISION OF DAYTON INC.,

WNYT INC.,
WMZQ INC. and
WVIT INC.,

By:/s/ Vaughn A. Clarke

Name: Vaughn A. Clarke
Title: Senior Vice President
VIACOM INTERNATIONAL SERVICES INC.

By:/s/ Vaughn A. Clarke

Name: Vaughn A. Clarke
Title: Senior Vice President

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CREDIT SUISSE

By:/s/ J. Hamilton Crawford

Name: J. Hamilton Crawford
Title: Associate

SOCIETE GENERALE

By:/s/ Elaine I. Khalil

Name: Elaine I. Khalil
Title: Vice President

THE BANK OF NEW YORK

By:/s/ Geoffrey C. Brooks

Name: Geoffrey C. Brooks
Title: Vice President

THE BANK OF TOKYO TRUST COMPANY

By:/s/ John P. Judge

Name: John P. Judge
Title: Vice President

THE TOYO TRUST & BANKING CO., LTD.

By:/s/ Hiroyuki Fukuro

Name: Hiroyuki Fukuro
Title: Vice President

FIRST INTERSTATE BANK OF WASHINGTON

By:/s/ Susan Hendrixson

Name: Susan Hendrixson
Title: Vice President

4

UNION BANK OF SWITZERLAND

By:/s/ Stephen A. Cayer

Name: Stephen A. Cayer
Title: Assistant Treasurer

By:/s/ Peter B. Yearly

Name: Peter B. Yearly
Title: Vice President

NETSBANK, LTD.

By:/s/ Paula Mueller

Name: Paula Mueller
Title:

THE MITSUBISHI TRUST AND BANKING CORPORATION

By:/s/ Patricia Loret De Mola

Name: Patricia Loret De Mola
Title: Senior Vice President

THE SUMITOMO BANK, LTD.

By:/s/ S. Higashi

Name: S. Higashi
Title: Joint General Manager

THE NIPPON CREDIT BANK, LTD.

By: /s/ Bernardo E. Correa-Henschke

Name: Bernardo E. Correa-Henschke
Title: Vice President & Manager

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THE SAKURA BANK, LTD.

By: /s/ Hiroshi Shimazaki

Name: Hiroshi Shimazaki
Title: Senior Vice President
& Manager

THE INDUSTRIAL BANK OF JAPAN, LTD.

By: /s/ Jeffrey Cole

Name: Jeffrey Cole
Title: Senior Vice President

THE ROYAL BANK OF CANADA

By: /s/ Cynthia K. Wong

Name: Cynthia K. Wong
Title: Manager

THE SANWA BANK, LTD.

By: /s/ Dominic J. Sorresso

Name: Dominic J. Sorresso
Title: Vice President

TOKAI BANK, LTD.

By: /s/ Stuart Schulman

Name: Stuart Schulman
Title: Senior Vice President

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CHEMICAL BANK

By:/s/ John J. Huber III

Name: John J. Huber III
Title: Managing Director

THE DAI-CHI KANGYO BANK, LTD.

By:/s/ Ronald Wolinsky

Name: Ronald Wolinsky
Title: Vice President & Group Leader

MORGAN GUARANTY TRUST COMPANY OF NEW YORK

By:/s/ R. BLake Witherington

Name: R. BLake Witherington
Title: Vice President

MELLON BANK, N.A.

By: /s/ G. Luis Ashley

Name: G. Luis Ashley
Title: First Vice President

COMPAGNIE FINANCIERE DE CIC ET DE L'UNION
EUROPENNE

By:/s/ Brian O'Leary

Name: Brian O'Leary
Title: Vice President

By:/s/ Marcus Edward

Name: Marcus Edward
Title: Vice President

7

THE CHASE MANHATTAN BANK

By:/s/ Bruce Longenkamp

Name: Bruce Longenkamp
Title: Vice President

THE BANK OF NOVA SCOTIA

By:/s/ Vincent Fitzgerald, Jr.

Name: Vincent Fitzgerald, Jr.
Title: Authorized Signatory

THE FUJI BANK, LTD.

By:/s/ Katsunori Nozawa

Name: Katsunori Nozawa
Title: Vice President & Manager

THE LONG-TERM CREDIT BANK OF JAPAN, LTD.

By:/s/ John A. Krob

Name: John A. Krob
Title: Deputy General Manager

BANK OF AMERICA

By:/s/ Amy S. Trapp

Name: Amy S. Trapp
Title: Vice President

NATIONSBANK OF TEXAS, N.A.

By:/s/ Chad E. Coben

Name: Chad E. Coben
Title: Vice President

DEUTSCHE BANK

By:/s/ Steven M. Godeke

Name: Steven M. Godele
Title: Vice President

By:/s/ Bina R. Dabbah

Name: Bina R. Dabbah
Title: Vice President

UNION BANK

By:/s/ Gabriel A. Renga

Name: Gabriel A. Renga
Title: Senior Vice President

THE TORONTO DOMINION BANK

By:/s/ Neva Nesbitt

Name: Neva Nesbitt
Title: Manager, Credit Administration

BANQUE PARIBAS

By:/s/ Eileen M. Burke

Name: Eileen M. Burke
Title: Vice President

By:/s/ Cindy D. Hewitt

Name: Cindy D. Hewitt
Title: Vice President

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BANK OF MONTREAL

By:/s/ Yvonne Bos

Name: Yvonne Bos
Title: Managing Director

CREDIT LYONNAIS

By:/s/ James E. Morris

Name: James E. Morris
Title: Vice President

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VIACOM INC.
SENIOR EXECUTIVE
SHORT-TERM INCENTIVE PLAN
(as amended and restated through March 27, 1996)

ARTICLE I

GENERAL

SECTION 1.1 Purpose. The purpose of the Viacom Inc. Senior Executive Short-Term Incentive Plan (the "Plan") is to benefit and advance the interests of Viacom Inc., a Delaware corporation (the "Company"), by rewarding selected senior executive officers of the Company and its subsidiaries for their contributions to the Company's financial success and thereby motivate them to continue to make such contributions in the future by granting annual performance-based awards ("Awards").

SECTION 1.2 Administration of the Plan. The Plan shall be administered by a committee ("Committee") which shall adopt such rules as it may deem appropriate in order to carry out the purpose of the Plan. The Committee shall be the Compensation Committee of the Company's Board of Directors ("Board") (or such other Committee as may be appointed by the Board) except that (i) the number of directors on the Committee shall not be less than three (3) and (ii) each member of the Committee shall be an "outside director" within the meaning of Section 162(m)(4) of the Internal Revenue code of 1986, as amended (the "Code"). All questions of interpretation, administration and application of the Plan shall be determined by a majority of the members of the Committee then in office, except that the Committee may authorize any one or more of its members, or any officer of the Company, to execute and deliver documents on behalf of the Committee. The determination of such majority shall be final and binding in all matters relating to the Plan. The Committee shall have authority to determine the terms and conditions of the Awards granted to eligible persons specified in Section 1.3 below ("Participants").

SECTION 1.3 Eligible Persons. Awards may be granted only to employees of the Company or one of its subsidiaries who are at the level of Senior Vice President of the Company or at a more senior level. An individual shall not be deemed an employee for purposes of the Plan unless such individual receives compensation from either the Company or one of its subsidiaries for services performed as an employee of the Company or any of its subsidiaries.

ARTICLE II

AWARDS

SECTION 2.1 Awards. The Committee may grant Awards to eligible employees with respect to each fiscal year of the Company, subject to the terms and conditions set forth in the Plan.

SECTION 2.2 Terms of Awards. Prior to the end of the first quarter of each fiscal year of the Company, the Committee shall establish (i) performance goals and objectives ("Performance Targets") for the Company and the subsidiaries and divisions thereof for such fiscal year ("Performance Period") and (ii) target awards ("Target Awards") for each Participant which shall be a percentage of the Participant's salary (as defined in Section 2.3 below). Such Performance Targets shall relate to the achievement of annual financial goals based on the attainment of specified levels of Operating Income and/or Cash Flow (as such terms are defined below) for the Company and the subsidiaries and divisions thereof. For purposes of the Plan, "Operating Income" shall mean revenues less operating expenses (other than depreciation and amortization) and "Cash Flow" shall mean Operating Income less cash capital expenditures and increases or decreases in working capital and in other balance sheet investments.

SECTION 2.3 Limitation on Awards. The aggregate amount of all Awards to

any Participant for any Performance Period shall not exceed the amount determined by multiplying such Participant's Salary by a factor of eight (8). For purposes of the Plan, "Salary" shall mean the base salary of the Participant on March 27, 1996 or, in the case of a Participant hired after March 27, 1996, such Participant's base salary on the date of hire.

SECTION 2.4 Determination of Award. The Committee shall, promptly after the date on which the necessary financial or other information for a particular Performance Period becomes available, certify whether the Performance Targets have been achieved in the manner required by Section 162(m) of the Code. If the Performance Targets have been achieved, the Awards for such Performance Period shall have been earned except that the Committee may, in its sole discretion, reduce the amount of any Award to reflect the Committee's assessment of the Participant's individual performance or for any other reason. Subject to Section 2.5, such Awards shall become payable in cash as promptly as practicable thereafter.

SECTION 2.5 Employment Requirement. To be eligible to receive payment of an Award, the Participant must have remained in the continuous employ of the Company or its subsidiaries through the end of the applicable Performance Period. If the Company or any subsidiary terminates a Participant's employment other than for "cause" or a Participant becomes "permanently disabled" (in each case, as determined by the Committee in its sole discretion) or a Participant

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dies during a Performance Period, such Participant or his estate shall be awarded, unless his employment contract provides otherwise, a pro rata portion of the amount of the Award for such Performance Period except that the Committee may, in its sole discretion, reduce the amount of such Award to reflect the Committee's assessment of such Participant's individual performance prior to the termination of such Participant's employment, such Participant's becoming permanently disabled or such Participant's death, as the case may be, or for any other reason.

ARTICLE III

ADJUSTMENT OF AWARDS

In the event that, during a Performance Period, any recapitalization, reorganization, merger, acquisition, divestiture, consolidation, spin off, combination, liquidation, dissolution, sale of assets, or other similar corporate transaction or event, or any extraordinary event, or any other event which distorts the applicable performance criteria occurs involving the Company or a subsidiary or division thereof, the Committee shall adjust or modify, as determined by the Committee in its sole and absolute discretion, the calculation of Operating Income and/or Cash Flow, or the applicable Performance Targets, to the extent necessary to prevent reduction or enlargement of Participants' Awards under the Plan for such Performance Period attributable to such transaction or event. Such adjustments shall be conclusive and binding for all purposes.

ARTICLE IV

MISCELLANEOUS

SECTION 4.1 No Rights to Awards or Continued Employment. No employee shall have any claim or right to receive Awards under the Plan. Neither the Plan nor any action taken hereunder shall be construed as giving any employee any right to be retained by the Company or any of its subsidiaries.

SECTION 4.2 Restriction on Transfer. The rights of a Participant with respect to Awards under the Plan shall not be transferable by the Participant to whom such Award is granted, otherwise than by will or the laws of descent and distribution.

SECTION 4.3 Tax Withholding. The Company or a subsidiary thereof, as

appropriate, shall have the right to deduct from all payments made under the Plan to a Participant or to a Participant's beneficiary or beneficiaries any Federal, state or local taxes required by law to be withheld with respect to such payments.

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SECTION 4.4 No Restriction on Right of Company to Effect Changes. The Plan shall not affect in any way the right or power of the Company or its stockholders to make or authorize any recapitalization, reorganization, merger, acquisition, divestiture, consolidation, spin off, combination, liquidation, dissolution, sale of assets, or other similar corporate transaction or event involving the Company or a subsidiary thereof or any other event or series of events, whether of a similar character or otherwise.

SECTION 4.5 Source of Payments. The Company shall not have any obligation to establish any separate fund or trust or other segregation of assets to provide for payments under the Plan. To the extent any person acquires any rights to receive payments hereunder from the Company, such rights shall be no greater than those of an unsecured creditor.

SECTION 4.6 Amendment and Termination. The Board may at any time and from time to time alter, amend, suspend or terminate the Plan in whole or in part. No termination or amendment of the Plan may, without the consent of the Participant to whom an Award has been made, adversely affect the rights of such Participant in such Award.

SECTION 4.7 Governmental Regulations. The Plan, and all Awards hereunder, shall be subject to all applicable rules and regulations of governmental or other authorities.

SECTION 4.8 Headings. The headings of sections and subsections herein are included solely for convenience of reference and shall not affect the meaning of any of the provisions of the Plan.

Section 4.9 Governing Law. The Plan and all rights and Awards hereunder shall be construed in accordance with and governed by the laws of the State of Delaware.

SECTION 4.10 Effective Date. The Plan became effective as of January 1, 1994. The amendment and restatement thereof shall be effective as of March 27, 1996; provided, however, that it shall be a condition to the effectiveness of the amendment and restatement of the Plan, and any Awards made after March 27, 1996, that the stockholders of the Company approve the amendment of the Plan at the 1996 Annual Meeting of Stockholders. Such approval shall meet the requirements of Section 162(m) of the Code and the regulations thereunder. If such approval is not obtained, then the amendment and restatement of the Plan shall not be effective and any Award made after March 27, 1996 shall be void ab initio.

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As of January 1, 1996

Philippe P. Dauman
655 Park Avenue
New York, NY 10021

Dear Mr. Dauman:

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

1. Term. The term of your employment hereunder shall commence on January 1, 1996 and, unless terminated by Viacom or you pursuant to paragraph 8 hereof, shall continue through and until December 31, 2000. The period from January 1, 1996 through December 31, 2000 shall hereinafter be referred to as the "Employment Term" notwithstanding any earlier termination pursuant to paragraph 8.

2. Duties. During the Employment Term, you agree to devote your entire business time, attention and energies to the business of Viacom and its subsidiaries. This is not intended to prevent you from engaging in other activities that do not conflict with or interfere with the performance of your duties and responsibilities hereunder. You will be Deputy Chairman and Executive Vice President, General Counsel and Chief Administrative Officer and Secretary of Viacom reporting directly and solely to the Chairman of the Board of Viacom (the "Chairman"), and you agree to perform such duties, and such other duties reasonable and consistent with such office as may be assigned to you from time to time by the Chairman. You will have such authority as is necessary for the performance of your obligations hereunder. You shall serve as a member of the Board of Directors of Viacom. Your principal place of business shall be at Viacom's headquarters in the New York City metropolitan area and you shall not be required to relocate outside of the New York City metropolitan area.

3. Compensation.

(a) Salary: For all the services rendered by you in any capacity hereunder, Viacom agrees to pay you the sum of One Million Dollars (\$1,000,000) per annum ("Salary"), payable in accordance with Viacom's then effective payroll practices.

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(b) Bonus Compensation: In addition to your Salary, you shall be entitled to receive bonus compensation for each of the calendar years during the Employment Term, determined and payable as follows ("Bonus"):

(i) Your Bonus for each of the calendar years during the Employment Term will be based upon a measurement of performance against objectives in accordance with Viacom's Short-Term Incentive Plan and its Senior Executive Short-Term Incentive Plan, as the same may be amended from time to time (collectively, the "STIP"), which objectives shall be no less favorable to you than the objectives used to determine the amount of bonus payable to any other executive of Viacom whose bonus is based in whole or in part on corporate performance and who participates in the STIP.

- (ii) Your Target Bonus for each of the calendar years during the Employment Term shall be 250% of Salary and Deferred Compensation (as defined in paragraph 3(c)) for such calendar year.
- (iii) Your Bonus for any calendar year shall be payable by February 28 of the following year.

(c) Deferred Compensation: In addition to your Salary and Bonus, you shall earn, in respect of calendar year 1997 and each calendar year during the Employment Term after 1997, an additional amount ("Deferred Compensation"), the payment of which (together with the return thereon as provided in this paragraph 3(c)) shall be deferred until January of the first calendar year following the year in which you cease to be an executive officer of Viacom for purposes of the Securities Exchange Act of 1934, as amended. The amount of Deferred Compensation for calendar year 1997 shall be One Hundred Thousand Dollars (\$100,000); for each subsequent calendar year during the Employment Term, the amount of Deferred Compensation shall be the excess of (X) 110% of the aggregate amount of the Salary and Deferred Compensation earned during the immediately preceding calendar year over (Y) \$1,000,000 (e.g. the Deferred Compensation for the 1998 calendar year shall be $((110\% \times (\$1,000,000 + 100,000)) - \$1,000,000) = \$210,000$). Deferred Compensation shall be credited to a bookkeeping account maintained by Viacom on your behalf, the balance of which account shall periodically be credited (or debited) with deemed positive (or negative) return calculated in the same manner, and at the same times, as the deemed return on your account under the excess 401(k) plan of Viacom (as such plan may be amended from time to time) is determined. Viacom's obligation to pay the Deferred Compensation (including the return thereon provided for in this paragraph 3(c)) shall be an unfunded obligation to be satisfied from the general funds of Viacom.

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- (d) Long-Term Incentive Plans.
 - (i) Special Grant: You have been awarded a special grant (the "Special Grant") under Viacom's 1994 Long-Term Management Incentive Plan (the "1994 LTMIP") of stock options to purchase Two Hundred Fifty Thousand (250,000) shares of Viacom's Class B Common Stock, effective as of January 29, 1996 (the "Date of Special Grant"), with an exercise price of \$40 for each share. The Special Grant shall vest in three equal installments on the second, third and fourth anniversaries of the Date of Special Grant.
 - (ii) Annual Grants: In addition to the Special Grant, you shall receive an annual grant (the "Annual Grant") for each calendar year during the Employment Term under the 1994 LTMIP or any successor plans (collectively, the "LTMIP") of stock options to purchase One Hundred Fifty Thousand (150,000) shares of Class B Common Stock; provided, that the amount of each Annual Grant shall not be less than the amount of the second largest grant awarded to any executive of Viacom under the LTMIP; and provided, further, that the amount of the Annual Grant shall be adjusted in the event of a stock split or a stock dividend. Each Annual Grant shall be made as of August 1st or the date as of which the Compensation Committee of the Viacom Board of Directors shall award the major stock option grant under the LTMIP to Viacom's senior executives for such calendar year. Each Annual Grant shall vest in three equal installments on the second, third and fourth anniversaries of the date of

grant.

4. Benefits.

(a) You shall be entitled to participate in such medical, dental and life insurance, 401(k), pension and other plans as Viacom may have or establish from time to time and in which you would be entitled to participate pursuant to the terms thereof. The foregoing, however, shall not be construed to require Viacom to establish any such plans or to prevent the modification or termination of such plans once established, and no such action or failure thereof shall affect this Agreement; provided, however, that no modification of any plans in which you participate shall be made which results in treating you less favorably than other senior executives of Viacom. It is further understood and agreed that all benefits you may be entitled to as an employee of Viacom shall be based upon your Salary, as set forth in paragraph 3(a) hereof, and not upon any bonus compensation due, payable or paid to you hereunder, except where the benefit

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plan expressly provides otherwise. You shall be entitled to four (4) weeks vacation.

(b) Viacom shall provide you with no less than Five Million Dollars (\$5,000,000) of life insurance during the Employment Term. You shall have the right to assign the policy for such life insurance to your spouse or issue or to a trust or trusts primarily for the benefit of your spouse and/or issue.

(c) In addition to the benefits described in paragraph 4(a) and (b) hereof, Viacom agrees that the benefits payable under the Excess Pension Plan shall be calculated as though nine (9) years of benefit service were added to your actual credited years of benefit service at the time of your termination.

5. Business Expenses. During the Employment Term, you shall be reimbursed for such reasonable travel and other expenses incurred in the performance of your duties hereunder as are customarily reimbursed to senior executives of Viacom. You shall be entitled to a car allowance and insurance in accordance with Viacom's policy.

6. Exclusive Employment, Confidential Information, Etc.

(a) Non-Competition. You agree that your employment hereunder is on an exclusive basis, and that during the shorter of (x) the Employment Term and (y) one (1) year after the termination of your employment pursuant to paragraph 8(b) or 8(c) hereof or eighteen (18) months after the termination of your employment pursuant to paragraph 8(a) hereof (the "Non-Compete Period"), you will not engage in any other business activity which is in conflict with your duties and obligations hereunder. You agree that during the Non-Compete Period you shall not directly or indirectly engage in or participate as an officer, employee, director, agent of or consultant for any business directly competitive with that of Viacom, nor shall you make any investments in any company or business competing with Viacom except as described in your memorandum to Frank J. Biondi dated January 25, 1993; provided, however, that nothing herein shall prevent you from investing as less than a one (1%) percent shareholder in the securities of any company listed on a national securities exchange or quoted on an automated quotation system.

(b) Confidential Information. You agree that you shall not, during the Employment Term or at any time thereafter, use for your own purposes, or disclose to or for the benefit of any third party, any trade secret or other confidential information of Viacom or any of its affiliates (except as may be required by law or in the performance of your duties hereunder consistent with Viacom's policies) and that you will comply with any confidentiality obligations

of Viacom to a third party, whether under agreement or otherwise.
Notwithstanding the foregoing, confidential information shall be deemed not to

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include information which (i) is or becomes generally available to the public other than as a result of a disclosure by you or any other person who directly or indirectly receives such information from you or at your direction or (ii) is or becomes available to you on a non-confidential basis from a source which is entitled to disclose it to you.

(c) No Employee Solicitation. You agree that, during the Employment Term and for one (1) year thereafter, you shall not, directly or indirectly, engage, 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 any of Viacom's affiliates.

(d) Viacom Ownership. The results and proceeds of your services hereunder, including, without limitation, any works of authorship resulting from your services during your employment with Viacom and/or any of its affiliates and any works in progress, shall be works-made-for-hire and Viacom shall be deemed the sole owner throughout the universe of any and all rights of whatsoever nature therein, whether or not now or hereafter known, existing, contemplated, recognized or developed, with the right to use the same in perpetuity in any manner Viacom determines in its sole discretion without any further payment to you whatsoever. If, for any reason, any of such results and proceeds shall not legally be a work-for-hire and/or there are any rights which do not accrue to Viacom under the preceding sentence, then you hereby irrevocably assign and agree to assign any and all of your right, title and interest thereto, including, without limitation, any and all copyrights, patents, trade secrets, trademarks and/or other rights of whatsoever nature therein, whether or not now or hereafter known, existing, contemplated, recognized or developed to Viacom, and Viacom shall have the right to use the same in perpetuity throughout the universe in any manner Viacom determines without any further payment to you whatsoever. You shall, from time to time, as may be requested by Viacom, do any and all things which Viacom may deem useful or desirable to establish or document Viacom's exclusive ownership of any and all rights in any such results and proceeds, including, without limitation, the execution of appropriate copyright and/or patent applications or assignments. To the extent you have any rights in the results and proceeds of your services that cannot be assigned in the manner described above, you unconditionally and irrevocably waive the enforcement of such rights. This paragraph 6(d) is subject to, and shall not be deemed to limit, restrict, or constitute any waiver by Viacom of any rights of ownership to which Viacom may be entitled by operation of law by virtue of Viacom or any of its affiliates being your employer.

(e) Litigation. You agree that, during the Employment Term, for one (1) year thereafter and, if longer, during the pendency of any litigation or other proceeding, (i) you shall not communicate with anyone (other than your own attorneys and tax advisors and, except to the extent necessary in the performance of your duties hereunder) with respect to the facts or subject matter of any pending or potential litigation, or regulatory or administrative proceeding involving any of Viacom's affiliates, other than any litigation or

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other proceeding in which you are a party-in-opposition, without giving prior notice to Viacom or Viacom's counsel, and (ii) in the event that any other party

attempts to obtain information or documents from you with respect to matters possibly related to such litigation or other proceeding, you shall promptly so notify Viacom's counsel.

(f) No Right to Write Books, Articles, Etc. During the Employment Term, except as authorized by Viacom, you shall not prepare or assist any person or entity in the preparation of any books, articles, television or motion picture productions or other creations, concerning Viacom or any of Viacom's affiliates or any of their officers, directors, agents, employees, suppliers or customers.

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

(h) Non-Disparagement. You and, to the extent set forth in the next sentence, Viacom agree that each party shall not, during the Employment Term and for one (1) year thereafter criticize, ridicule or make any statement which disparages or is derogatory of the other party in any communications with any customer or client. Viacom's obligations under the preceding sentence shall be limited to communications by its senior corporate executives having the rank of Senior Vice President or above.

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

(j) Survival; Modification of Terms. Your obligations under paragraphs 6(a) through (i) hereof shall remain in full force and effect for the entire period provided therein notwithstanding the termination of the Employment

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Term pursuant to paragraph 8 hereof or otherwise; provided, however, that your obligations under paragraph 6(a) shall cease if you terminate your employment for "Good Reason" or Viacom terminates your employment without "cause" (as such terms are defined in paragraph 8) and you notify Viacom in writing that you have elected to waive your right to receive, or to continue to receive, payments and benefits pursuant to clauses (i), (ii), (iii), (iv), (v) and (vi) of paragraph 8(d). You and Viacom agree that the restrictions and remedies contained in paragraphs 6(a) through (i) are reasonable and that it is your intention and the intention of Viacom that such restrictions and remedies shall be enforceable to the fullest extent permissible by law. If it shall be found by a court of competent jurisdiction that any such restriction or remedy is unenforceable but would be enforceable if some part thereof were deleted or the period or area of application reduced, then such restriction or remedy shall apply with such modification as shall be necessary to make it enforceable.

7. Incapacity. In the event you become totally medically disabled at any

time during the Employment Term and are not expected to be able to substantially perform your duties for a six (6) month period, the Chairman, at any time after such disability has in fact continued for 60 consecutive days, may determine that Viacom requires such duties and responsibilities be performed by another executive. In the event you become disabled, you will first receive benefits under Viacom's short-term disability program for the first 26 weeks of consecutive absence. Thereafter, you will be eligible to receive benefits under Viacom's Long-Term Disability ("LTD") program in accordance with its terms. Upon receipt of benefits under the LTD program, you will also be entitled to receive, subject to applicable withholding taxes:

- (i) a Target Bonus pro-rated for the portion of calendar year through the date on which you become eligible to receive benefits under the LTD program, payable at the time the Bonus for such calendar year would otherwise be paid;
- (ii) pro-rated Deferred Compensation for the calendar year in which such benefits commence and Deferred Compensation attributable to prior calendar years, payable, together with the return thereon as provided in paragraph 3(c), prior to January 31 of the calendar year following the calendar year in which such benefits commence; and
- (iii) the following with respect to grants to you under Viacom's 1989 Long-Term Management Incentive Plan (the "1989 LTMIP") and the LTMIP (the 1989 LTMIP and the LTMIP are collectively referred to as the "LTMIP Plans"):
 - (x) stock options granted to you under the LTMIP Plans which are exercisable on or prior to the date as of which benefits

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commence under the LTD program or that would have vested and become exercisable on or before the last day of the Employment Term will be exercisable for one (1) year after the date as of which such benefits commence or, if earlier, the expiration date of the stock options; and

- (y) stock options that would have been granted to you under the LTMIP Plans pursuant to paragraph 3(d)(ii) shall be granted with an exercise price equal to the closing price of the Class B Common Stock on the date of grant and such options will be exercisable during the period commencing six (6) months after the date of grant (or such earlier date as may be permitted under the LTMIP Plans) and ending on the earlier of (A) two (2) years after the date of grant, or (B) the later of the end of the Employment Term or one (1) year after the date of grant;

In the event that you thereafter become able to substantially perform your duties, you will then be entitled to receive from Viacom your Salary and Deferred Compensation at the rate being paid to you immediately prior to the commencement of such disability, and your Bonus calculated pursuant to paragraph 3(b) hereof, through the remainder of the Employment Term reduced by any employment compensation earned by you for any work or service performed for any other person.

8. Termination.

(a) Termination for Cause. Viacom may, at its option, terminate this Agreement forthwith for "cause", and Viacom shall thereafter have no further obligations under this Agreement, including, without limitation, any obligation

to pay Salary or Bonus or provide benefits under this Agreement. For purposes of this Agreement, termination of this Agreement for "cause" shall mean termination for embezzlement, fraud or other conduct which would constitute a felony, conviction of a felony, or willful unauthorized disclosure of confidential information, or if you at any time materially breach this Agreement (including, without limitation, your failure, neglect of or refusal to substantially perform your obligations hereunder as set forth in paragraphs 2 and 11 hereof), except in the event of your disability as set forth in paragraph 7. Anything herein to the contrary notwithstanding, Viacom will give you written notice prior to terminating this Agreement for your material breach setting forth the exact nature of any alleged breach and the conduct required to cure such breach. You shall have ten (10) business days from the giving of such notice within which to cure and within which period Viacom cannot terminate this Agreement for the stated reasons.

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(b) Good Reason Termination. You may terminate your employment hereunder for "Good Reason" at any time during the Employment Term by written notice to Viacom not more than thirty (30) days after the occurrence of the event constituting "Good Reason". Such notice shall state an effective date no later than ten (10) business days after the date it is given. Good Reason shall mean any of the following, without your prior written consent, other than in connection with the termination of your employment for "cause" (as defined above) or in connection with your permanent disability:

- (i) the assignment to you by Viacom of duties substantially inconsistent with your positions, duties, responsibilities, titles or offices or the withdrawal of a material part of your responsibilities or a change in your reporting relationship, as set forth in paragraph 2;
- (ii) a reduction by Viacom in your Salary or Target Bonus as in effect at the date hereof or as the same may be increased from time to time during the Employment Term;
- (iii) Viacom's requiring you to be based anywhere other than the New York City metropolitan area, except for required travel on Viacom's business to any extent substantially consistent with business travel obligations of other senior executives of Viacom;
- (iv) your failure to receive the Annual Grants under the LTMIIP Plans pursuant to paragraph 3(d)(ii); or
- (v) the material breach by Viacom of its material obligations hereunder.

(c) Termination Without Cause. Viacom may terminate your employment hereunder without "cause" (as defined above) at any time during the Employment Term by written notice to you.

(d) Termination Payments, Etc. In the event that your employment terminates pursuant to paragraph 8(b) or 8(c) hereof, you shall be entitled to receive, subject to applicable withholding taxes:

- (i) your Salary as provided in paragraph 3(a) until the end of the Employment Term, payable in accordance with Viacom's then effective payroll practices;
- (ii) bonus compensation for each calendar year during the Employment Term equal to your Target Bonus as set forth in

paragraph 3(b);

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- (iii) Deferred Compensation for each calendar year during the Employment Term after 1996 as set forth in paragraph 3(c); Deferred Compensation attributable to the calendar year in which the termination pursuant to paragraph 8(b) or 8(c) hereof occurs and to prior calendar years shall be payable, together with the return thereon as provided in paragraph 3(c), prior to January 31 of the calendar year following such termination; and Deferred Compensation attributable to subsequent calendar years shall be payable, together with the return thereon as provided in paragraph 3(c), prior to January 31 of the following calendar year;
- (iv) your car allowance and insurance as provided in paragraph 5 until the end of the Employment Term, payable in accordance with Viacom's then effective payroll practices;
- (v) medical and dental insurance coverage under COBRA until the end of the Employment Term or, if earlier, the date on which you become eligible for medical and dental coverage from a third party employer; during this period, Viacom will pay an amount equal to the applicable COBRA premiums (or such other amounts as may be required by applicable law) (which amount will be included in your income for tax purposes to the extent required by applicable law); at the end of such period, you may elect to continue your medical and dental insurance coverage at your own expense for the balance, if any, of the period required by law;
- (vi) life insurance coverage as set forth in paragraph 4(b) until the end of the Employment Term (the amount of such insurance to be reduced by the amount of any insurance provided by a new employer);
- (vii) the following with respect to grants to you under the LTMIP Plans:
 - (x) stock options granted to you under the LTMIP Plans which are exercisable on or prior to the date of the termination of your employment under paragraph 8(b) or 8(c) or that would have vested and become exercisable on or before the last day of the Employment Term will be exercisable until six (6) months after the date of such termination or, if earlier, the expiration date of the stock options; and

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- (y) stock options that would have been granted to you under the LTMIP Plans pursuant to paragraph 3(d)(ii) shall be granted as of the date of termination of your employment with an exercise price equal to the closing price of the Class B Common Stock on the date of grant and such options will be exercisable during the period commencing six (6) months after the date of grant (or such earlier

date as may be permitted under the LTMIP Plans) and ending one (1) year after the date of grant;

- (viii) a supplemental pension benefit calculated in accordance with the terms of the Excess Pension Plan and paragraph 4(c) as though you were employed through the end of the Employment Term; and
- (ix) provision of an appropriate office and secretarial assistance for up to six (6) months after the termination of your employment;

provided, however, you shall be required to mitigate the amount of any payment provided for in (i), (ii), (iii) and (iv) of this paragraph 8(d) by seeking other employment and the amount of any such payment provided for in (i), (ii), (iii) and (iv) (but only with respect to Deferred Compensation attributable to the period after the termination occurs) shall be reduced by any employment compensation earned by you except that mitigation shall not be required for twenty-four (24) months after the termination of your employment or for the period commencing with the termination of your employment and ending on the last day of the Employment Term, whichever is shorter. The payments provided for in (i) above are in lieu of any severance or income continuation or protection under any Viacom plan that may now or hereafter exist. The payments and benefits to be provided pursuant to this paragraph 8(d) shall constitute liquidated damages, and shall be deemed to satisfy and be in full and final settlement of all obligations of Viacom to you under this Agreement.

(e) Termination of Benefits. Notwithstanding anything in this Agreement to the contrary (except as otherwise provided in paragraph 8(d) with respect to medical, dental and life insurance and Excess Pension Plan benefits), coverage under all Viacom benefit plans and programs (including, without limitation, vacation, 401(k), excess 401(k) and pension plans, LTD and accidental death and dismemberment and business travel and accident insurance) will terminate upon the termination of your employment except to the extent otherwise expressly provided in such plans or programs.

(f) Non-Renewal. In the event that Viacom does not extend or renew this Agreement at the end of the Employment Term on no less favorable terms, the vesting of all stock options granted under the LTMIP Plans that are not

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exercisable as of the end of the Employment Term shall be accelerated and such stock options, together with all stock options granted under the LTMIP Plans which are exercisable at the end of the Employment Term, will be exercisable until six (6) months after the end of the Employment Term or, if earlier, the expiration date of the stock options.

9. Death. If you die prior to the end of the Employment Term, your beneficiary or estate shall be entitled to receive your Salary up to the date on which the death occurs, a pro-rated Target Bonus and pro-rated Deferred Compensation for the calendar year in which the death occurs and Deferred Compensation attributable to prior calendar years payable, together with the return thereon as provided in paragraph 3(c), prior to January 31 of the following calendar year. In addition, the vesting of all stock options granted under the LTMIP Plans that are not exercisable as of the date on which the death occurs shall be accelerated, and your beneficiary or estate shall be entitled to exercise such stock options, together with all stock options that are exercisable as of the date of death, for one (1) year after the date of death or, if earlier, the expiration date of the stock options.

10. Section 317 and 507 of the Federal Communications Act. You represent that you have not accepted or given nor will you accept or give, directly or

indirectly, any money, services or other valuable consideration from or to anyone other than Viacom for the inclusion of any matter as part of any film, television program or other production produced, distributed and/or developed by Viacom and/or any of its affiliates.

11. Equal Opportunity Employer. You acknowledge that Viacom is an equal opportunity employer. You agree that you will comply with Viacom policies regarding employment practices and with applicable federal, state and local laws prohibiting discrimination on the basis of race, color, creed, national origin, age, sex or disability.

12. Indemnification.

(a) Viacom shall indemnify and hold you harmless, to the maximum extent permitted by law and by the Restated Certificate of Incorporation and/or the Bylaws of Viacom, against judgments, fines, amounts paid in settlement of and reasonable expenses incurred by you in connection with the defense of any action or proceeding (or any appeal therefrom) in which you are a party by reason of your position as Deputy Chairman and Executive Vice President, General Counsel, Chief Administrative Officer and Secretary of Viacom or by reason of any prior positions held by you with Viacom, or for any acts or omissions made by you in good faith in the performance of any of your duties as an officer of Viacom.

(b) To the extent that Viacom maintains officers' and directors' liability insurance, you will be covered under such policy.

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13. Notices. All notices required to be given hereunder shall be given in writing, by personal delivery or by mail at the respective addresses of the parties hereto set forth above, or at such other address as may be designated in writing by either party. Any notice given by mail shall be deemed to have been given three days following such mailing.

14. Assignment. This is an Agreement for the performance of personal services by you and may not be assigned by you or Viacom except that Viacom may assign this Agreement to any affiliate of or any successor in interest to Viacom.

15. New York Law, Etc. This Agreement and all matters or issues collateral thereto 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 in the state or federal courts located in the City of New York.

16. No Implied Contract. Nothing contained in this Agreement shall be construed to impose any obligation on Viacom to renew this Agreement or any portion thereof. The parties intend to be bound only upon execution of a written agreement and no negotiation, exchange of draft or partial performance shall be deemed to imply an agreement. Neither the continuation of employment nor any other conduct shall be deemed to imply a continuing agreement upon the expiration of this Agreement.

17. Entire Understanding. This Agreement contains the entire understanding of the parties hereto relating to the subject matter herein contained, and can be changed only by a writing signed by both parties hereto.

18. Void Provisions. If any provision of this Agreement, as applied to either party or to any circumstances, shall be adjudged by a court to be void or unenforceable, the same shall be deemed stricken from this Agreement and shall in no way affect any other provision of this Agreement or the validity or enforceability of this Agreement.

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19. Supersedes Previous Agreement. This Agreement supersedes and cancels all prior agreements relating to your employment by Viacom or any of its affiliates, including, without limitation, the employment agreement with Viacom, dated as of February 1, 1993, as amended as of April 1, 1994. Notwithstanding the preceding sentence, this Agreement is not intended, and shall not be construed, to affect your rights in any compensation or benefits that have been granted or accrued prior to the beginning of the Employment Term .

If the foregoing correctly sets forth our understanding, please sign one copy of this letter and return it to the undersigned, whereupon this letter shall constitute a binding agreement between us.

Very truly yours,

VIACOM INC.

By: /s/ Sumner M. Redstone

Name: Sumner M. Redstone
Title: Chairman of the Board and
Chief Executive Officer

ACCEPTED AND AGREED:

/s/ Philippe P. Dauman

Philippe P. Dauman

As of January 1, 1996

Thomas E. Dooley
147 Oxford Boulevard
Garden City, NY 11530

Dear Mr. Dooley:

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

1. Term. The term of your employment hereunder shall commence on January 1, 1996 and, unless terminated by Viacom or you pursuant to paragraph 8 hereof, shall continue through and until December 31, 2000. The period from January 1, 1996 through December 31, 2000 shall hereinafter be referred to as the "Employment Term" notwithstanding any earlier termination pursuant to paragraph 8.

2. Duties. During the Employment Term, you agree to devote your entire business time, attention and energies to the business of Viacom and its subsidiaries. This is not intended to prevent you from engaging in other activities that do not conflict with or interfere with the performance of your duties and responsibilities hereunder. You will be Deputy Chairman and Executive Vice President - Finance, Corporate Development and Communications of Viacom reporting directly and solely to the Chairman of the Board of Viacom (the "Chairman"), and you agree to perform such duties, and such other duties reasonable and consistent with such office as may be assigned to you from time to time by the Chairman. You will have such authority as is necessary for the performance of your obligations hereunder. You shall serve as a member of the Board of Directors of Viacom. Your principal place of business shall be at Viacom's headquarters in the New York City metropolitan area and you shall not be required to relocate outside of the New York City metropolitan area.

3. Compensation.

(a) Salary: For all the services rendered by you in any capacity hereunder, Viacom agrees to pay you the sum of One Million Dollars (\$1,000,000) per annum ("Salary"), payable in accordance with Viacom's then effective payroll practices.

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(b) Bonus Compensation: In addition to your Salary, you shall be entitled to receive bonus compensation for each of the calendar years during the Employment Term, determined and payable as follows ("Bonus"):

- (i) Your Bonus for each of the calendar years during the Employment Term will be based upon a measurement of performance against objectives in accordance with Viacom's Short-Term Incentive Plan and its Senior Executive Short-Term Incentive Plan, as the same may be amended from time to time (collectively, the "STIP"), which objectives shall be no less favorable to you than the objectives used to determine the amount of bonus payable to any other executive of Viacom whose bonus is based in whole or in part on corporate performance and who participates in the STIP.

- (ii) Your Target Bonus for each of the calendar years during the Employment Term shall be 250% of Salary and Deferred Compensation (as defined in paragraph 3(c)) for such calendar year.
- (iii) Your Bonus for any calendar year shall be payable by February 28 of the following year.

(c) Deferred Compensation: In addition to your Salary and Bonus, you shall earn, in respect of calendar year 1997 and each calendar year during the Employment Term after 1997, an additional amount ("Deferred Compensation"), the payment of which (together with the return thereon as provided in this paragraph 3(c)) shall be deferred until January of the first calendar year following the year in which you cease to be an executive officer of Viacom for purposes of the Securities Exchange Act of 1934, as amended. The amount of Deferred Compensation for calendar year 1997 shall be One Hundred Thousand Dollars (\$100,000); for each subsequent calendar year during the Employment Term, the amount of Deferred Compensation shall be the excess of (X) 110% of the aggregate amount of the Salary and Deferred Compensation earned during the immediately preceding calendar year over (Y) \$1,000,000 (e.g. the Deferred Compensation for the 1998 calendar year shall be $((110\% \times (\$1,000,000 + 100,000)) - \$1,000,000) = \$210,000$). Deferred Compensation shall be credited to a bookkeeping account maintained by Viacom on your behalf, the balance of which account shall periodically be credited (or debited) with deemed positive (or negative) return calculated in the same manner, and at the same times, as the deemed return on your account under the excess 401(k) plan of Viacom (as such plan may be amended from time to time) is determined. Viacom's obligation to pay the Deferred Compensation (including the return thereon provided for in this paragraph 3(c)) shall be an unfunded obligation to be satisfied from the general funds of Viacom.

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- (d) Long-Term Incentive Plans.
 - (i) Special Grant: You have been awarded a special grant (the "Special Grant") under Viacom's 1994 Long-Term Management Incentive Plan (the "1994 LTMIP") of stock options to purchase Two Hundred Fifty Thousand (250,000) shares of Viacom's Class B Common Stock, effective as of January 29, 1996 (the "Date of Special Grant"), with an exercise price of \$40 for each share. The Special Grant shall vest in three equal installments on the second, third and fourth anniversaries of the Date of Special Grant.
 - (ii) Annual Grants: In addition to the Special Grant, you shall receive an annual grant (the "Annual Grant") for each calendar year during the Employment Term under the 1994 LTMIP or any successor plans (collectively, the "LTMIP") of stock options to purchase One Hundred Fifty Thousand (150,000) shares of Class B Common Stock; provided, that the amount of the Annual Grant shall be adjusted in the event of a stock split or a stock dividend. Each Annual Grant shall be made as of August 1st or the date as of which the Compensation Committee of the Viacom Board of Directors shall award the major stock option grant under the LTMIP to Viacom's senior executives for such calendar year. Each Annual Grant shall vest in three equal installments on the second, third and fourth anniversaries of the date of grant.

(a) You shall be entitled to participate in such medical, dental and life insurance, 401(k), pension and other plans as Viacom may have or establish from time to time and in which you would be entitled to participate pursuant to the terms thereof. The foregoing, however, shall not be construed to require Viacom to establish any such plans or to prevent the modification or termination of such plans once established, and no such action or failure thereof shall affect this Agreement; provided, however, that no modification of any plans in which you participate shall be made which results in treating you less favorably than other senior executives of Viacom. It is further understood and agreed that all benefits you may be entitled to as an employee of Viacom shall be based upon your Salary, as set forth in paragraph 3(a) hereof, and not upon any bonus compensation due, payable or paid to you hereunder, except where the benefit plan expressly provides otherwise. You shall be entitled to four (4) weeks vacation.

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(b) Viacom shall provide you with no less than Five Million Dollars (\$5,000,000) of life insurance during the Employment Term. You shall have the right to assign the policy for such life insurance to your spouse or issue or to a trust or trusts primarily for the benefit of your spouse and/or issue.

5. Business Expenses. During the Employment Term, you shall be reimbursed for such reasonable travel and other expenses incurred in the performance of your duties hereunder as are customarily reimbursed to senior executives of Viacom. You shall be entitled to a car allowance and insurance in accordance with Viacom's policy.

6. Exclusive Employment, Confidential Information, Etc.

(a) Non-Competition. You agree that your employment hereunder is on an exclusive basis, and that during the shorter of (x) the Employment Term and (y) one (1) year after the termination of your employment pursuant to paragraph 8(b) or 8(c) hereof or eighteen (18) months after the termination of your employment pursuant to paragraph 8(a) hereof (the "Non-Compete Period"), you will not engage in any other business activity which is in conflict with your duties and obligations hereunder. You agree that during the Non-Compete Period you shall not directly or indirectly engage in or participate as an officer, employee, director, agent of or consultant for any business directly competitive with that of Viacom, nor shall you make any investments in any company or business competing with Viacom; provided, however, that nothing herein shall prevent you from investing as less than a one (1%) percent shareholder in the securities of any company listed on a national securities exchange or quoted on an automated quotation system.

(b) Confidential Information. You agree that you shall not, during the Employment Term or at any time thereafter, use for your own purposes, or disclose to or for the benefit of any third party, any trade secret or other confidential information of Viacom or any of its affiliates (except as may be required by law or in the performance of your duties hereunder consistent with Viacom's policies) and that you will comply with any confidentiality obligations of Viacom to a third party, whether under agreement or otherwise. Notwithstanding the foregoing, confidential information shall be deemed not to include information which (i) is or becomes generally available to the public other than as a result of a disclosure by you or any other person who directly or indirectly receives such information from you or at your direction or (ii) is or becomes available to you on a non-confidential basis from a source which is entitled to disclose it to you.

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

Term and for one (1) year thereafter, you shall not, directly or indirectly,

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engage, 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 any of Viacom's affiliates.

(d) Viacom Ownership. The results and proceeds of your services hereunder, including, without limitation, any works of authorship resulting from your services during your employment with Viacom and/or any of its affiliates and any works in progress, shall be works-made-for-hire and Viacom shall be deemed the sole owner throughout the universe of any and all rights of whatsoever nature therein, whether or not now or hereafter known, existing, contemplated, recognized or developed, with the right to use the same in perpetuity in any manner Viacom determines in its sole discretion without any further payment to you whatsoever. If, for any reason, any of such results and proceeds shall not legally be a work-for-hire and/or there are any rights which do not accrue to Viacom under the preceding sentence, then you hereby irrevocably assign and agree to assign any and all of your right, title and interest thereto, including, without limitation, any and all copyrights, patents, trade secrets, trademarks and/or other rights of whatsoever nature therein, whether or not now or hereafter known, existing, contemplated, recognized or developed to Viacom, and Viacom shall have the right to use the same in perpetuity throughout the universe in any manner Viacom determines without any further payment to you whatsoever. You shall, from time to time, as may be requested by Viacom, do any and all things which Viacom may deem useful or desirable to establish or document Viacom's exclusive ownership of any and all rights in any such results and proceeds, including, without limitation, the execution of appropriate copyright and/or patent applications or assignments. To the extent you have any rights in the results and proceeds of your services that cannot be assigned in the manner described above, you unconditionally and irrevocably waive the enforcement of such rights. This paragraph 6(d) is subject to, and shall not be deemed to limit, restrict, or constitute any waiver by Viacom of any rights of ownership to which Viacom may be entitled by operation of law by virtue of Viacom or any of its affiliates being your employer.

(e) Litigation. You agree that, during the Employment Term, for one (1) year thereafter and, if longer, during the pendency of any litigation or other proceeding, (i) you shall not communicate with anyone (other than your own attorneys and tax advisors and, except to the extent necessary in the performance of your duties hereunder) with respect to the facts or subject matter of any pending or potential litigation, or regulatory or administrative proceeding involving any of Viacom's affiliates, other than any litigation or other proceeding in which you are a party-in-opposition, without giving prior notice to Viacom or Viacom's counsel, and (ii) in the event that any other party attempts to obtain information or documents from you with respect to matters possibly related to such litigation or other proceeding, you shall promptly so notify Viacom's counsel.

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(f) No Right to Write Books, Articles, Etc. During the Employment Term, except as authorized by Viacom, you shall not prepare or assist any person or entity in the preparation of any books, articles, television or motion picture productions or other creations, concerning Viacom or any of Viacom's affiliates or any of their officers, directors, agents, employees, suppliers or

customers.

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

(h) Non-Disparagement. You and, to the extent set forth in the next sentence, Viacom agree that each party shall not, during the Employment Term and for one (1) year thereafter criticize, ridicule or make any statement which disparages or is derogatory of the other party in any communications with any customer or client. Viacom's obligations under the preceding sentence shall be limited to communications by its senior corporate executives having the rank of Senior Vice President or above.

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

(j) Survival; Modification of Terms. Your obligations under paragraphs 6(a) through (i) hereof shall remain in full force and effect for the entire period provided therein notwithstanding the termination of the Employment Term pursuant to paragraph 8 hereof or otherwise; provided, however, that your obligations under paragraph 6(a) shall cease if you terminate your employment for "Good Reason" or Viacom terminates your employment without "cause" (as such terms are defined in paragraph 8) and you notify Viacom in writing that you have elected to waive your right to receive, or to continue to receive, payments and benefits pursuant to clauses (i), (ii), (iii), (iv), (v) and (vi) of paragraph 8(d). You and Viacom agree that the restrictions and remedies contained in

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

7. Incapacity. In the event you become totally medically disabled at any time during the Employment Term and are not expected to be able to substantially perform your duties for a six (6) month period, the Chairman, at any time after such disability has in fact continued for 60 consecutive days, may determine that Viacom requires such duties and responsibilities be performed by another executive. In the event you become disabled, you will first receive benefits under Viacom's short-term disability program for the first 26 weeks of consecutive absence. Thereafter, you will be eligible to receive benefits under Viacom's Long-Term Disability ("LTD") program in accordance with its terms. Upon receipt of benefits under the LTD program, you will also be entitled to receive,

subject to applicable withholding taxes:

- (i) a pro-rated Target Bonus for the calendar year in which such benefits commence, payable at the time the Bonus for such calendar year would otherwise be paid;
- (ii) pro-rated Deferred Compensation for the calendar year in which such benefits commence and Deferred Compensation attributable to prior calendar years, payable, together with the return thereon as provided in paragraph 3(c), prior to January 31 of the calendar year following the calendar year in which such benefits commence; and
- (iii) the following with respect to grants to you under Viacom's 1989 Long-Term Management Incentive Plan (the "1989 LTMIP") and the LTMIP (the 1989 LTMIP and the LTMIP are collectively referred to as the "LTMIP Plans"):
 - (x) stock options granted to you under the LTMIP Plans which are exercisable on or prior to the date as of which benefits commence under the LTD program or that would have vested and become exercisable on or before the last day of the Employment Term will be exercisable for one (1) year after the date as of which such benefits commence or, if earlier, the expiration date of the stock options;

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- (y) stock options that would have been granted to you under the LTMIP Plans pursuant to paragraph 3(d)(ii) shall be granted with an exercise price equal to the closing price of the Class B Common Stock on the date of grant and such options will be exercisable during the period commencing six (6) months after the date of grant (or such earlier date as may be permitted under the LTMIP Plans) and ending on the earlier of (A) two (2) years after the date of grant, or (B) the later of the end of the Employment Term or one (1) year after the date of grant; and
- (z) payments on the phantom shares granted to you under the 1989 LTMIP in 1989 will be calculated in the manner and made at such times as provided in the 1989 LTMIP.

In the event that you thereafter become able to substantially perform your duties, you will then be entitled to receive from Viacom your Salary and Deferred Compensation at the rate being paid to you immediately prior to the commencement of such disability, and your Bonus calculated pursuant to paragraph 3(b) hereof, through the remainder of the Employment Term reduced by any employment compensation earned by you for any work or service performed for any other person.

8. Termination.

(a) Termination for Cause. Viacom may, at its option, terminate this Agreement forthwith for "cause", and Viacom shall thereafter have no further obligations under this Agreement, including, without limitation, any obligation to pay Salary or Bonus or provide benefits under this Agreement. For purposes of this Agreement, termination of this Agreement for "cause" shall mean termination for embezzlement, fraud or other conduct which would constitute a felony, conviction of a felony, or willful unauthorized disclosure of confidential information, or if you at any time materially breach this Agreement (including, without limitation, your failure, neglect of or refusal to substantially perform your obligations hereunder as set forth in paragraphs 2 and 11 hereof), except

in the event of your disability as set forth in paragraph 7. Anything herein to the contrary notwithstanding, Viacom will give you written notice prior to terminating this Agreement for your material breach setting forth the exact nature of any alleged breach and the conduct required to cure such breach. You shall have ten (10) business days from the giving of such notice within which to cure and within which period Viacom cannot terminate this Agreement for the stated reasons.

(b) Good Reason Termination. You may terminate your employment hereunder for "Good Reason" at any time during the Employment Term by written notice to Viacom not more than thirty (30) days after the occurrence of the

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event constituting "Good Reason". Such notice shall state an effective date no later than ten (10) business days after the date it is given. Good Reason shall mean any of the following, without your prior written consent, other than in connection with the termination of your employment for "cause" (as defined above) or in connection with your permanent disability:

- (i) the assignment to you by Viacom of duties substantially inconsistent with your positions, duties, responsibilities, titles or offices or the withdrawal of a material part of your responsibilities or a change in your reporting relationship, as set forth in paragraph 2;
- (ii) a reduction by Viacom in your Salary or Target Bonus as in effect at the date hereof or as the same may be increased from time to time during the Employment Term;
- (iii) Viacom's requiring you to be based anywhere other than the New York City metropolitan area, except for required travel on Viacom's business to any extent substantially consistent with business travel obligations of other senior executives of Viacom;
- (iv) your failure to receive the Annual Grants under the LTMIIP Plans pursuant to paragraph 3(d)(ii); or
- (v) the material breach by Viacom of its material obligations hereunder.

(c) Termination Without Cause. Viacom may terminate your employment hereunder without "cause" (as defined above) at any time during the Employment Term by written notice to you.

(d) Termination Payments, Etc. In the event that your employment terminates pursuant to paragraph 8(b) or 8(c) hereof, you shall be entitled to receive, subject to applicable withholding taxes:

- (i) your Salary as provided in paragraph 3(a) until the end of the Employment Term, payable in accordance with Viacom's then effective payroll practices;
- (ii) bonus compensation for each calendar year during the Employment Term equal to your Target Bonus as set forth in paragraph 3(b);
- (iii) Deferred Compensation for each calendar year during the Employment Term after 1996 as set forth in paragraph 3(c);

Deferred Compensation attributable to the calendar year in which the termination pursuant to paragraph 8(b) or 8(c) hereof occurs and to prior calendar years shall be payable, together with the return thereon as provided in paragraph 3(c), prior to January 31 of the calendar year following such termination; and Deferred Compensation attributable to subsequent calendar years shall be payable, [together with the return thereon as provided in paragraph 3(c), prior to January 31 of the following calendar year;

- (iv) your car allowance and insurance as provided in paragraph 5 until the end of the Employment Term, payable in accordance with Viacom's then effective payroll practices;
- (v) medical and dental insurance coverage under COBRA until the end of the Employment Term or, if earlier, the date on which you become eligible for medical and dental coverage from a third party employer; during this period, Viacom will pay an amount equal to the applicable COBRA premiums (or such other amounts as may be required by applicable law) (which amount will be included in your income for tax purposes to the extent required by applicable law); at the end of such period, you may elect to continue your medical and dental insurance coverage at your own expense for the balance, if any, of the period required by law;
- (vi) life insurance coverage as set forth in paragraph 4(b) until the end of the Employment Term (the amount of such insurance to be reduced by the amount of any insurance provided by a new employer);
- (vii) the following with respect to grants to you under the LTMIP Plans:
 - (x) stock options granted to you under the LTMIP Plans which are exercisable on or prior to the date of the termination of your employment under paragraph 8(b) or 8(c) or that would have vested and become exercisable on or before the last day of the Employment Term will be exercisable until six (6) months after the date of such termination or, if earlier, the expiration date of the stock options;
 - (y) stock options that would have been granted to you under the LTMIP Plans pursuant to paragraph 3(d)(ii) shall be granted as of the date of termination of your employment with an exercise price equal to the closing price of the

Class B Common Stock on the date of grant and such options will be exercisable during the period commencing six (6) months after the date of grant (or such earlier date as may be permitted under the LTMIP Plans) and ending one (1) year after the date of grant; and

- (z) payments on the phantom shares granted to you under the 1989 LTMIP in 1989 will be calculated in the manner and

made at such times as provided in the 1989 LTMIP;

- (viii) a supplemental pension benefit calculated in accordance with the terms of the Excess Pension Plan as though you were employed through the end of the Employment Term; and
- (ix) provision of an appropriate office and secretarial assistance for up to six (6) months after the termination of your employment;

provided, however, you shall be required to mitigate the amount of any payment provided for in (i), (ii), (iii) and (iv) of this paragraph 8(d) by seeking other employment and the amount of any such payment provided for in (i), (ii), (iii) and (iv) (but only with respect to Deferred Compensation attributable to the period after the termination occurs) shall be reduced by any employment compensation earned by you except that mitigation shall not be required for twenty-four (24) months after the termination of your employment or for the period commencing with the termination of your employment and ending on the last day of the Employment Term, whichever is shorter. The payments provided for in (i) above are in lieu of any severance or income continuation or protection under any Viacom plan that may now or hereafter exist. The payments and benefits to be provided pursuant to this paragraph 8(d) shall constitute liquidated damages, and shall be deemed to satisfy and be in full and final settlement of all obligations of Viacom to you under this Agreement.

(e) Termination of Benefits. Notwithstanding anything in this Agreement to the contrary (except as otherwise provided in paragraph 8(d) with respect to medical, dental and life insurance and Excess Pension Plan benefits), coverage under all Viacom benefit plans and programs (including, without limitation, vacation, 401(k), excess 401(k) and pension plans, LTD and accidental death and dismemberment and business travel and accident insurance) will terminate upon the termination of your employment except to the extent otherwise expressly provided in such plans or programs.

(f) Non-Renewal. In the event that Viacom does not extend or renew this Agreement at the end of the Employment Term on no less favorable terms, the vesting of all stock options granted under the LTMIP Plans that are not

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exercisable as of the end of the Employment Term shall be accelerated and such stock options, together with all stock options granted under the LTMIP Plans which are exercisable at the end of the Employment Term, will be exercisable until six (6) months after the end of the Employment Term or, if earlier, the expiration date of the stock options.

9. Death. If you die prior to the end of the Employment Term, your beneficiary or estate shall be entitled to receive your Salary up to the date on which the death occurs, a pro-rated Target Bonus and pro-rated Deferred Compensation for the calendar year in which the death occurs and Deferred Compensation attributable to prior calendar years payable, together with the return thereon as provided in paragraph 3(c), prior to January 31 of the following calendar year. In addition, the vesting of all stock options granted under the LTMIP Plans that are not exercisable as of the date on which the death occurs shall be accelerated, and your beneficiary or estate shall be entitled to exercise such stock options, together with all stock options that are exercisable as of the date of death, for one (1) year after the date of death or, if earlier, the expiration date of the stock options.

10. Section 317 and 507 of the Federal Communications Act. You represent that you have not accepted or given nor will you accept or give, directly or indirectly, any money, services or other valuable consideration from or to anyone other than Viacom for the inclusion of any matter as part of any film,

television program or other production produced, distributed and/or developed by Viacom and/or any of its affiliates.

11. Equal Opportunity Employer. You acknowledge that Viacom is an equal opportunity employer. You agree that you will comply with Viacom policies regarding employment practices and with applicable federal, state and local laws prohibiting discrimination on the basis of race, color, creed, national origin, age, sex or disability.

12. Indemnification.

(a) Viacom shall indemnify and hold you harmless, to the maximum extent permitted by law and by the Restated Certificate of Incorporation and/or the Bylaws of Viacom, against judgments, fines, amounts paid in settlement of and reasonable expenses incurred by you in connection with the defense of any action or proceeding (or any appeal therefrom) in which you are a party by reason of your position as Deputy Chairman and Executive Vice President - Finance, Corporate Development and Communications of Viacom or by reason of any prior positions held by you with Viacom, or for any acts or omissions made by you in good faith in the performance of any of your duties as an officer of Viacom.

(b) To the extent that Viacom maintains officers' and directors' liability insurance, you will be covered under such policy.

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13. Notices. All notices required to be given hereunder shall be given in writing, by personal delivery or by mail at the respective addresses of the parties hereto set forth above, or at such other address as may be designated in writing by either party. Any notice given by mail shall be deemed to have been given three days following such mailing.

14. Assignment. This is an Agreement for the performance of personal services by you and may not be assigned by you or Viacom except that Viacom may assign this Agreement to any affiliate of or any successor in interest to Viacom.

15. New York Law, Etc. This Agreement and all matters or issues collateral thereto 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 in the state or federal courts located in the City of New York.

16. No Implied Contract. Nothing contained in this Agreement shall be construed to impose any obligation on Viacom to renew this Agreement or any portion thereof. The parties intend to be bound only upon execution of a written agreement and no negotiation, exchange of draft or partial performance shall be deemed to imply an agreement. Neither the continuation of employment nor any other conduct shall be deemed to imply a continuing agreement upon the expiration of this Agreement.

17. Entire Understanding. This Agreement contains the entire understanding of the parties hereto relating to the subject matter herein contained, and can be changed only by a writing signed by both parties hereto.

18. Void Provisions. If any provision of this Agreement, as applied to either party or to any circumstances, shall be adjudged by a court to be void or unenforceable, the same shall be deemed stricken from this Agreement and shall in no way affect any other provision of this Agreement or the validity or enforceability of this Agreement.

19. Supersedes Previous Agreement. This Agreement supersedes and cancels all prior agreements relating to your employment by Viacom or any of its affiliates, including, without limitation, the employment agreement with Viacom, dated as of April 1, 1994. Notwithstanding the preceding sentence, this Agreement is not intended, and shall not be construed, to affect your rights in any compensation or benefits that have been granted or accrued prior to the beginning of the Employment Term .

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If the foregoing correctly sets forth our understanding, please sign one copy of this letter and return it to the undersigned, whereupon this letter shall constitute a binding agreement between us.

Very truly yours,

VIACOM INC.

By: /s/ Sumner M. Redstone

Name: Sumner M. Redstone
Title: Chairman of the Board and
Chief Executive Officer

ACCEPTED AND AGREED:

/s/ Thomas E. Dooley

Thomas E. Dooley

Viacom Inc. and Subsidiaries
Computation of Net Earnings Per Share

	Year ended December 31,		
	1995	1994	1993
	-----	-----	-----
	(In millions, except per share amounts)		
Earnings:			
Net earnings from continuing operations.....	\$214.9	\$130.5	\$ 169.5
Cumulative convertible preferred stock dividend requirement.....	60.0	75.0	12.8
	-----	-----	-----
Earnings from continuing operations attributable to common stock.....	154.9	55.5	156.7
Earnings (loss) from discontinued operations, net of tax.....	7.6	(20.5)	--
Extraordinary loss, net of tax.....	--	(20.4)	(8.9)
Cumulative effect of change in accounting principle.....	--	--	10.4
Net earnings attributable to common stock.....	\$162.5	\$ 14.6	\$ 158.2
Primary Computation:			

Shares:			
Weighted average number of common shares.....	362.4	207.6	120.6
Common shares potentially issuable in connection with:			
Stock options and warrants.....	8.3	2.6	--
Contingent value rights (a).....	--	5.8	--
Variable common rights (b).....	4.4	4.0	--
Weighted average common shares and common share equivalents.....	375.1	220.0	120.6
Net earnings per common share:			
Net earnings from continuing operations.....	\$.41	\$.25	\$ 1.30
Earnings (loss) from discontinued operations, net of tax.....	.02	(.09)	--
Extraordinary loss, net of tax.....	--	(.09)	(.07)
Cumulative effect of change in accounting principle.....	--	--	.08
	-----	-----	-----
Net earnings.....	\$.43	\$.07	\$ 1.31
	=====	=====	=====
Fully Diluted Computation (c):			

Shares:			
Weighted average number of common shares outstanding.....	362.4	207.6	120.6
Common shares potentially issuable in connection with:			
Stock options and warrants.....	8.6	3.0	--
Contingent value rights (a).....	--	5.8	--
Variable common rights (b).....	4.5	4.0	--
	-----	-----	-----
Weighted average common shares and common share equivalents.....	375.5	220.4	120.6
	=====	=====	=====
Net earnings per common share:			
Net earnings from continuing operations.....	\$.41	\$.25	\$ 1.30
Earnings (loss) from discontinued operations, net of tax.....	.02	(.09)	--
Extraordinary loss, net of tax.....	--	(.09)	(.07)
Cumulative effect of change in accounting principle.....	--	--	.08
	-----	-----	-----

Net earnings.....	\$.43	\$.07	\$ 1.31
	=====	=====	=====

- (a) The contingent value rights (the "CVRs") matured on July 7, 1995. The Company paid approximately \$81.9 million in cash of approximately \$1.44 per CVR to settle its obligation.
- (b) The variable common rights (the "VCRs") matured on September 29, 1995. The Company issued approximately 6.1 million shares of Viacom Inc. Class B Common Stock, or .022665 of a share of Viacom Inc. Class B Common Stock per VCR, to settle its obligation under the VCRs.
- (c) The Preferred Stock and related dividend requirement had an anti-dilutive effect on earnings per share in 1995, 1994 and 1993 and, therefore, were excluded from the computation.

The following are substantially all of the direct and indirect subsidiaries of Viacom Inc.:

SUBSIDIARIES -----	STATE OR OTHER JURISDICTION OF	PERCENTAGE OF VOTING
	----- INCORPORATION -----	SECURITIES OWNED DIRECTLY OR ----- INDIRECTLY -----
101 Properties Corp.	Florida	100
1020917 Ontario Inc.	Canada (Ontario)	100
176309 Canada Inc.	Canada (Federal)	100
200 S. Andrews, Inc.	Delaware	100
2853-5912 Quebec Inc.	Canada (Quebec)	100
37th Floor Productions Inc.	Delaware	100
5555 Communications Inc.	Delaware	100
730995 Ontario Inc.	Canada (Ontario)	100
779991 Ontario Inc.	Canada (Ontario)	100
90210 Productions, Inc.	California	100
A-R Acquisition Corp.	Delaware	100
A.S. Payroll Company	California	100
A.S.P. International, Inc.	Virgin Islands	100
Aaron Spelling Productions, Inc.	California	100
Abaco Farms, Limited	Bahamas	100
Acorn Pipe Line Company	Texas	100
Acorn Properties, Inc.	Texas	100
Acorn Trading Company	Texas	100
Addax Music Co., Inc.	Delaware	100
Aetrax International Corporation	Delaware	100
Ages Electronics, Inc.	Delaware	100
Ages Entertainment Software, Inc.	Delaware	100
AHV Holding Corporation	Delaware	100
Alaska Oil Company, Inc.	Florida	100
Alaska Oil Company (Partnership)	Florida	93.3
All Media Inc.	Delaware	

	100		
American Teaching Aids, Inc.		California	100
Anall Pty. Limited		Australia	100
Antics G.P. Inc.		Delaware	100
Antics Inc.		Delaware	100
Antilles Oil Company, Inc.		Puerto Rico	100
Appleton & Lange, Inc.		Delaware	100
Arco Publishing, Inc.		Delaware	100
Are We Having Fun Yet? Productions		Canada	100
Aros N.V.		Netherlands Antilles	100
Around the Block Productions, Inc.		Delaware	100
Atlantic Associates, Inc.		Delaware	100
Atlantic Home Video		Delaware	80
Avalon Vertriebs GmbH		Germany	60
Bahamas Underwriters Services Limited		Bahamas	100
Bardwire Inc.		Delaware	100
Belhaven Limited		Bahamas	100
Beta Theatres Inc.		Delaware	100
Big Shows Inc.		Delaware	100
Big Ticket Music Inc.		Delaware	100

SUBSIDIARIES -----	STATE OR OTHER JURISDICTION OF	PERCENTAGE OF VOTING
	----- INCORPORATION -----	SECURITIES OWNED DIRECTLY OR ----- INDIRECTLY -----
Big Ticket Pictures Inc.	Delaware	100
Big Ticket Productions Inc.	Delaware	100
Big Ticket Television Inc.	Delaware	100
Blockbuster Adventures, Inc.	Delaware	100
Blockbuster Airship Holding Corporation	Delaware	100
Blockbuster Airships, Inc.	Delaware	100
Blockbuster Amphitheater Corp.	Delaware	100
Blockbuster Amusement Corporation	Delaware	100
Blockbuster Amusement Holding Corporation	Delaware	100
Blockbuster Australia Pty Ltd.	Australia	100
Blockbuster Computer Systems Corporation	Florida	100
Blockbuster Discovery Investment Inc.	Delaware	100
Blockbuster Entertainment Inc.	Delaware	100
Blockbuster Family Fun, Inc.	Delaware	100
Blockbuster Fun & Fitness Holding Corp.	Delaware	100
Blockbuster Mid-America, Inc.	Delaware	100
Blockbuster Music Corporation	Delaware	100

Blockbuster Music Holding Corporation	Delaware	100
Blockbuster Music Retail, Inc.	Texas	100
Blockbuster Park, Inc.	Delaware	100
Blockbuster Park Holding Corporation	Delaware	100
Blockbuster Park Lands, Inc.	Florida	100
Blockbuster Pictures Holding Corporation	Delaware	100
Blockbuster Productions Corporation	Delaware	100
Blockbuster Promotions Inc.	Delaware	100
Blockbuster SC Holding Corporation	Delaware	100
Blockbuster SC Music Corporation	Delaware	100
Blockbuster SC Video Holding Corporation	Delaware	100
Blockbuster SC Video Operating Corporation	Delaware	100
Blockbuster Technology Holding Corporation	Delaware	100
Blockbuster UK Group Limited	United Kingdom	100
Blockbuster Video (New Zealand) Ltd.	New Zealand	100
Blockbuster Video Acquisition Corp.	Delaware	100
Blockbuster Video Canada Inc.	Canada (Ontario)	100
Blockbuster Video de Mexico S.A. de C.V.	Mexico	80
Blockbuster Video Deutschland GmbH	Germany	51
Blockbuster Video Distribution, Inc.	Delaware	100
Blockbuster Video Espana, S.L.	Spain	88
Blockbuster Video International Corporation	Delaware	100
Blockbuster Video Italy, Inc.	Delaware	100
Blockbuster Video Superstores (Australia) Pty Limited	Australia	100
Blockbuster Videos, Inc.	Texas	100
Brady Communications Company, Inc.	District of Columbia	100
Branded Productions, Inc.	California	100
Broadcast Leasing Inc.	Delaware	100
Broadview Television Company	Washington	100
Brookvale Developments No. 1 Pty. Limited	Australia (NSW)	100
Brookvale Developments No. 2 Pty. Limited	Australia (NSW)	100
Bruin Music Company	Delaware	100

SUBSIDIARIES	STATE OR OTHER JURISDICTION OF INCORPORATION	PERCENTAGE OF VOTING
		SECURITIES OWNED DIRECTLY OR INDIRECTLY
BS Hotel, Inc.	Delaware	100
Bulletin Company	Delaware	100
BWJV Corporation	Delaware	100
Cable T.V. of Marin, Inc.	California	100
Cable TV Puget Sound, Inc.	Washington	100
Caloil Inc.	Canada	100
Capital Equipment Leasing Limited	United Kingdom	100
Casmo Mining, Ltd.	Canada (B.C.)	95
Cayman Overseas Reinsurance Association	Cayman Islands	100
Center for Applied Research in Education, Inc., The	Delaware	100
Central Park Theatres Limited	Canada (Alberta)	100
Centurion Satellite Broadcast Inc.	Delaware	100
Century Entertainment Ltd.	United Kingdom	100
Channel 3 Everett, Inc.	Washington	100
Charlotte Amphitheater Corporation	Delaware	100
Charmac, Inc.	Florida	100
Chartcom, Inc.	Delaware	100
Charter Barge Company	New York	100
Charter Caribbean Company	Florida	100
Charter Crude Oil Company	Texas	100
Charter Crude Oil Trading Company	Texas	100
Charter Futures Trading Company	Texas	100
Charter International Development Co.	Florida	100
Charter International Finance N.V.	Netherlands Antilles	100
Charter International Oil Company	Texas	100
Charter Marine Transportation Inc.	Delaware	100
Charter Media Company	Delaware	100
Charter Oil (Alaska), Inc.	Florida	100
Charter Oil (Bahamas), Inc.	Florida	100
Charter Oil (Bahamas) Limited	Bahamas	100
Charter Oil (International), Inc.	Florida	100
Charter Oil Company	Florida	100
Charter Oil Services, Inc.	Texas	100
Charter Oil Specialities Limited	Bahamas	100
Charter Publishing Company	Delaware	100
Cherokee Rose Productions Inc.	Delaware	100
Cinema Dominicana S.A.	Dominican Republic	100
Cinematic Arts B.V.	Netherlands	100
Cityvision plc	United Kingdom	100
Cityvision Videotheken Ges.M.B.H.	Austria	100
Clear View Cable Systems, Inc.	California	100
COFI Credit Corporation	Delaware	100
Columbus Circle Films Inc.	Delaware	100
Com-Cable TV, Inc.	Delaware	100
Combined Broadcasting of Miami, Inc.	Delaware	100
Combined Broadcasting of Philadelphia, Inc.	Delaware	100
Community Telecable of Bellevue, Inc.	Washington	100
Community Telecable of Seattle, Inc.	Washington	100
Compelling Music Corporation	California	100
Computer Curriculum Corporation	Delaware	100

SUBSIDIARIES	STATE OR OTHER JURISDICTION OF INCORPORATION	PERCENTAGE OF VOTING
		SECURITIES OWNED DIRECTLY OR INDIRECTLY
Contra Costa Cable Co.	Washington	100
Coronet Films, Inc.	New York	100
CPW Holdings Inc.	Delaware	100

Crockett Cable System, Inc.	California	100
Dayton Press, Inc.	Florida	100
Desilu Productions, Inc.	Delaware	100
Direct Court Productions, Inc.	Delaware	100
Direct Response Associates, Inc.	Connecticut	100
DJM Management, Inc.	Massachusetts	100
Dynamic Soap, Inc.	California	100
E.G. Songs Inc	California	100
Eagle Direct Inc.	Delaware	100
Early Morning Madness Productions, Inc.	California	100
EBF Liquidating Company, Inc.	District of Columbia	100
Educational Management Group, Inc.	Illinois	100
Eighth Century Corporation	Delaware	100
Electronic Publishing, Inc.	New York	100
Ellis Horwood Limited	United Kingdom	100
Energy Development Associates, Inc.	Delaware	100
Ensign Music Corporation	Delaware	100
EPI Music Company	California	100
Erol's, Inc.	Delaware	100
Esquire Films, Inc.	Delaware	100
Everett Cablevision, Inc.	Washington	100
Evergreen Programs, Inc.	New York	100
EWB Corporation	Delaware	100
Executive Reports Corporation	New Jersey	100
Executive Tax Reports, Inc.	New York	100
EXP Limited	United Kingdom	100
EXP Music Publishing Limited	United Kingdom	100
Family Entertainment Centers, Inc.	Florida	100
Famous Music Corporation	Delaware	100
Famous Music Publishing Limited	United Kingdom	100
Famous Orange Productions Inc.	Delaware	100
Famous Players Inc.	Canada (Federal)	100
Famous Players International B.V.	Netherlands	100
Famous Players Investments B.V.	Netherlands	100
Far-West Communications, Inc.	Oregon	100
Festival Inc.	Delaware	100
Fifty-Sixth Century Antrim Iron Company, Inc.	Delaware	100
Film Intex Corporation	Delaware	100
Films Paramount S.A.	France	100
Fitzwilliam Publishing Limited	United Kingdom	100
FLC Holding Corp.	Florida	100
Focus Video Pty. Ltd.	Australia	100
Forgive Me Inc.	Delaware	100
Forty-Fourth Century Corporation	Delaware	100
French Street Management Inc.	Delaware	100
Front Street Management Inc.	Delaware	100
Future General Corporation	Delaware	100
G & W Leasing Company	Delaware	100

SUBSIDIARIES	PERCENTAGE OF VOTING	
	STATE OR OTHER JURISDICTION OF INCORPORATION	SECURITIES OWNED DIRECTLY OR INDIRECTLY
G & W Natural Resources Company, Inc.	Delaware	100
Games Animation Inc.	Delaware	100
Games Productions Inc.	Delaware	100
Ginn Publishing (Canada) Limited	Canada (Federal)	100
Glendale Property Corp.	Delaware	100
Global Film Distributors B.V.	Netherlands	100
Globe Fearon Inc	California	100
Gloucester Titanium Company, Inc.	Delaware	100
Gramps Company, Inc., The	Delaware	100
Grand Bahama Petroleum Company Limited	Bahamas	100
Grande Alliance Co. Ltd.	Cayman Islands	100
Great American Entertainment Motion Pictures, Inc.	California	100
Great American Entertainment Television, Inc.	California	100
Green Tiger Press, Inc.	California	100
Greenville Editorial Services, Inc.	New York	100
Gulf & Western Casket Corporation	Delaware	100
Gulf & Western do Brazil Industria e Comercio Limitada	Brazil	100
Gulf & Western Holdings Limited	Bahamas	100
Gulf & Western Indonesia, Inc.	Delaware	100
Gulf & Western Intercontinental Investments N.V.	Netherlands Antilles	100
Gulf & Western International Finance N.V.	Netherlands Antilles	100
Gulf & Western International N.V.	Netherlands Antilles	100
Gulf & Western Limited	Bahamas	100
H-C-G Cablevision, Inc.	California	100
H. M. Gousha Company, The	California	100
Hamilton Projects, Inc.	New York	100
Harvester Press Limited, The	United Kingdom	100
High Command Productions Limited	United Kingdom	100
Houston Video Management Inc.	Texas	100
Houston Video Venture, Inc.	Florida	100
HZH Company	Delaware	100
Image Edit, Inc.	Delaware	100
IMR Acquisition Corp.	Delaware	100
Independent Petrochemical Corporation	Ohio	100
Institute for Business Planning, Inc.	New York	100
International Book Distributors Limited	United Kingdom	100
International Bureau of Software Test, Inc.	Delaware	100
International Overseas Film Services, Inc.	Delaware	66.7
International Overseas Productions, Inc.	California	66.7
International Raw Materials Limited	Bahamas	100
Interstitial Programs Inc.	Delaware	100
J. K. Lasser, Inc.	Delaware	100
Jack of Hearts Joint Venture	California	100
Japan Regents Publishing Company Inc.	Japan	100
Jossey-Bass, Inc., Publishers	California	100
Katled Liquidating Inc.	Delaware	100
Katled Systems Inc.	Delaware	100
KBSG Inc.	Delaware	100

SUBSIDIARIES	PERCENTAGE OF VOTING	
	STATE OR OTHER JURISDICTION OF INCORPORATION	SECURITIES OWNED DIRECTLY OR INDIRECTLY
Kilo Mining Corporation	Pennsylvania	100
Kings Island Company	Delaware	100
KND Inc.	Delaware	100
KSLQ, Inc.	Missouri	100
KYSR Inc.	Delaware	100
LAPTV (N.A.) N.V.	Netherlands Antilles	100
Latin American Pay Television Service C.V.	Netherlands Antilles	100
Latin American Pay Television Service de Venezuela C.A.	Venezuela	100
Latin American Pay Television Service S.A. de C.V.	Mexico	100
Laurel Entertainment, Inc.	Delaware	100
Living Color Financial Displays, Inc.	Florida	100
Lizarb B.V.	Netherlands	100
Long Road Productions	Illinois	75
Low Key Productions Inc.	Delaware	100
LT Holdings Inc.	Delaware	100
M.R.E. Enterprises, Inc.	Florida	100
Maarten Investerings Partnership	New York	100
Macmillan, Inc.	Delaware	100
Macmillan College Publishing Company, Inc.	Delaware	100
Magic Hour Productions, Ltd.	Canada	100
Maglcam, Inc.	Delaware	83.5
Majestic Theatres Limited	Canada (Alberta)	100
Major Video Corp.	Nevada	100
Major Video National Advertising Council Corporation	Nevada	100
Major Video Super Stores, Inc.	Nevada	100
Marin Cable Television, Inc.	California	100
Markt & Technik GmbH	Germany	100
Mars Film Produzione S.P.A.	Italy	100
Master Data Center, Inc.	Michigan	100
Matlock Company, The	Delaware	100
Melrose Productions Inc.	California	100
Merritt Inc.	Delaware	100
Monetas N.V.	Netherlands Antilles	100
Montgomery Acquisition, Inc.	Texas	100
MTV Asia Development Company Inc.	Delaware	100
MTV Australia Inc.	Delaware	100
MTV India Development Company Inc.	Delaware	100
MTV India LDC	Cayman Islands	100
MTV International Development Limited	Delaware	100
MTV Latino Inc.	Delaware	100
MTV Networks AB	Sweden	100
MTV Networks B.V.	Netherlands	100
MTV Networks Company	Delaware	100
MTV Networks Europe Inc.	Delaware	100
MTV Networks GmbH	Germany	100
MTV Networks SARL	France	100
MTV Networks South Africa Inc.	Delaware	100
MTV Networks Srl	Italy	100
MTV SA LDC	Cayman Islands	100

SUBSIDIARIES	PERCENTAGE OF VOTING	
	STATE OR OTHER JURISDICTION OF INCORPORATION	SECURITIES OWNED DIRECTLY OR INDIRECTLY
MTV Songs Inc.	Delaware	100
MTVN Shopping Inc.	Delaware	100
Multi Mineral Corporation	Texas	100
Music By Nickelodeon Inc.	Delaware	100
Music By Video Inc.	Delaware	100
Nepco (Florida), Inc.	Florida	100
Nepco Energy Corporation	New York	100
Nepco Exploration (U.K.) Limited	United Kingdom	100
Nepco Petroleum Limited	Canada	100
New CORAL Ltd.	Cayman Islands	100
New England Petroleum Corporation	New York	100
New Jersey Zinc Exploration Company, The	Delaware	100
New Jersey Zinc Exploration Company (Canada) Ltd.	Canada (Federal)	100
New Leaf Entertainment Corporation	Delaware	100
New Providence Assurance Company Limited	Bahamas	100
New River Entertainment Corporation	Delaware	100
Newtel Inc.	Delaware	100
Nickelodeon Australia Inc.	Delaware	100
Nickelodeon Huggings U.K. Limited	United Kingdom	100
Nickelodeon India Corporation	Delaware	100
Nickelodeon Magazines Inc.	Delaware	100
Nickelodeon Movies Inc.	Delaware	100
Night Falls Productions Inc.	Delaware	100
Northshore Productions Inc.	California	100
Notgnirrab Inc.	California	100
NTA, Inc.	New York	100
NTA Films, Inc.	New York	100
Number One FSC Ltd.	US Virgin Islands	100
Oswego Barge Corporation	Delaware	100
Our Home Productions Inc.	Delaware	100
Outatown Productions Inc.	Delaware	100

Overseas Services B.V.	Netherlands	100
Para-Sac Music Corporation	Delaware	100
Paramount (PDI) Distribution Inc.	Delaware	100
Paramount Americas Film Corporation	Delaware	100
Paramount British Pictures Limited	United Kingdom	100
Paramount Canada's Wonderland Inc.	Canada (Ontario)	100
Paramount Canadian Productions, Inc.	Delaware	100
Paramount Communications Acquisition Corporation	Delaware	100
Paramount Communications Merchandising and Licensing Corporation	Delaware	100
Paramount Communications Properties Inc.	Delaware	100
Paramount Communications Realty Corporation	Delaware	100
Paramount Communications Technology Group Inc.	Delaware	100
Paramount Digital Entertainment Inc.	Delaware	100
Paramount Film Production (Deutschland) GmbH	Germany	100
Paramount Films B.V.	Netherlands	100
Paramount Films of Australia Inc.	Delaware	100
Paramount Films of China, Inc.	Delaware	100

SUBSIDIARIES -----	PERCENTAGE OF VOTING -----	
	STATE OR OTHER JURISDICTION OF ----- INCORPORATION -----	SECURITIES OWNED DIRECTLY OR ----- INDIRECTLY -----
Paramount Films of Egypt, Inc.	Delaware	100
Paramount Films of India, Ltd.	Delaware	100
Paramount Films of Italy, Inc.	New York	100
Paramount Films of Lebanon, Inc.	New York	100
Paramount Films of Pakistan Ltd.	New York	100
Paramount Films of Southeast Asia Inc.	Delaware	100
Paramount General Entertainment Australia Inc.	Delaware	100
Paramount Home Video, Inc.	Delaware	100
Paramount Images Inc.	Delaware	100
Paramount International Holding Company	Delaware	100
Paramount LAPT V Inc.	Delaware	100
Paramount Music Corporation	Delaware	100
Paramount Overseas Productions, Inc.	Delaware	100
Paramount Parks Inc.	Delaware	100
Paramount Pictures (Australia) Pty. Limited	Australia	100
Paramount Pictures (Canada) Inc.	Canada (Ontario)	100
Paramount Pictures (U.K.) Limited	United Kingdom	100
Paramount Pictures Corporation	Delaware	100
Paramount Pictures Corporation (Canada) Inc.	Canada (Ontario)	100
Paramount Production Support Inc.	Delaware	100
Paramount Productions, Inc.	Canada (Ontario)	100
Paramount Productions Service Corporation	Delaware	100
Paramount Publishing Deutschland GmbH	Germany	100
Paramount Publishing Europe B.V.	Netherlands	100
Paramount Publishing Nederland B.V.	Netherlands	100
Paramount Stations Group Inc.	Virginia	100
Paramount Stations Group of Fort Worth/Dallas Inc.	Virginia	100
Paramount Stations Group of Houston Inc.	Virginia	100
Paramount Stations Group of Philadelphia Inc.	Virginia	100
Paramount Stations Group of Washington Inc.	Virginia	100
Paramount Studios, Inc.	California	100
Paramount Television International Services, Ltd.	Bermuda	100
Paramount Television Limited	United Kingdom	100
Paramount Television Service, Inc.	Delaware	100
Paramount-Immobiliare Inc.	Delaware	100
Park Court Productions, Inc.	Delaware	100
Parker Publishing Company, Inc.	New York	100
Part-Time Productions Inc.	Delaware	100
PCCGW Company, Inc.	Delaware	100
PCI Canada Inc.	Delaware	100
PCI Network Partner Inc.	Delaware	100
Pet II Productions Inc.	Delaware	100
Pier 66 Productions Inc.	Florida	100
PMV Productions Inc.	Delaware	100
Pocket Books of Canada, Ltd.	Canada (Federal)	100
Premier Advertiser Sales Inc.	Delaware	100
Premiere House, Inc.	Delaware	100
Pren-Hall Corporation, The	New York	100
Prentice-Hall, Inc.	Delaware	100
Prentice-Hall (China) Pte. Limited	Hong Kong	100

SUBSIDIARIES -----	PERCENTAGE OF VOTING -----	
	STATE OR OTHER JURISDICTION OF ----- INCORPORATION -----	SECURITIES OWNED DIRECTLY OR ----- INDIRECTLY -----
Prentice-Hall (M) Sdn Bhd	Malaysia	100
Prentice-Hall (South Africa) (Proprietary) Limited	South Africa	100
Prentice-Hall Canada Inc.	Canada (Ontario)	100
Prentice-Hall Developmental Learning Centers, Inc.	New Jersey	100
Prentice-Hall Hispanoamericana, S.A.	Mexico	100

Prentice-Hall International, Inc.	New York	100
Prentice-Hall International (U.K.) Ltd.	United Kingdom	100
Prentice-Hall Learning Systems, Inc.	Delaware	100
Prentice-Hall of Australia Pty. Limited	Australia	100
Prentice-Hall of Japan, Inc.	Japan	100
Prentice-Hall Professional Software, Inc.	Delaware	100
Preye, Inc.	California	100
Prospect Company Ltd.	Cayman Islands	100
Proxy Music Corporation	California	100
Publishing FSC Ltd.	US Virgin Islands	100
QM Music Company	California	100
Quebec Oil Refinery, Ltd.	Canada	100
Quemahoning Coal Processing Company	Pennsylvania	100
QWERTY Inc.	Delaware	100
R.H. Productions Inc.	California	100
Reality Check Productions Inc.	Delaware	100
Regents Publishing Co., Inc.	New York	100
Remote Productions Inc.	Delaware	100
Republic Direct Inc.	California	100
Republic Distribution Corporation	Delaware	100
Republic Entertainment Inc.	Delaware	100
Republic Pictures Corporation, B.V.	Netherlands	100
Republic Pictures Corporation of Canada, Ltd.	Canada	100
Republic Pictures Enterprises, Inc.	Delaware	100
Republic Pictures Entertainment, Inc.	Delaware	100
Republic Pictures N.V.	Netherlands Antilles	100
Republic Pictures Productions, Inc.	California	100
Reston Information Systems, Inc.	Pennsylvania	100
Reston Publishing Co., Inc.	Delaware	100
Ritz Video Film Hire Limited	United Kingdom	100
Riverside Broadcasting Co., Inc.	Delaware	100
Robert J. Brady Co.	Maryland	100
Rope of Sand Productions, Inc.	California	100
RTV News Inc.	Delaware	100
San Francisco Broadcasters, Inc.	California	100
Satellite Holdings Inc.	Delaware	100
Saucon Valley Iron and Railroad Company, The	Pennsylvania	100
Scarab Publishing Corporation	Delaware	100
Scott Mattson Farms, Inc.	Florida	100
SEGI Holding Co.	Delaware	100
SFI Music Inc.	Delaware	100
SFI Song Company	Delaware	100
Show Industries, Inc.	California	100
Showtime Networks Inc.	Delaware	100

SUBSIDIARIES	PERCENTAGE OF VOTING	
	STATE OR OTHER JURISDICTION OF INCORPORATION	SECURITIES OWNED DIRECTLY OR INDIRECTLY
Showtime Networks Inc. (U.K.)	Delaware	100
Showtime Networks Middle East Inc.	Delaware	100
Showtime Networks Satellite Programming Company	California	100
Showtime Satellite Networks Inc.	Delaware	100
Showtime/Sundance Holding Company Inc.	Delaware	100
SIFO One Inc.	Delaware	100
SIFO Two Inc.	Delaware	100
Silver Burdett Ginn Inc.	Delaware	100
Simon & Schuster, Inc.	New York	100
Simon & Schuster (Asia) Pte. Ltd.	Singapore	100
Simon & Schuster (Australia) Pty. Limited	Australia	100
Simon & Schuster Limited	United Kingdom	100
Simon & Schuster Macmillan France SARL	France	100
Simon & Schuster of Canada (1976) Ltd.	Canada (Federal)	100
SNI Development Corp.	Delaware	100
Solar Service Company	Delaware	100
Son of the Morningstar Productions, Inc.	California	100
Southeastern Home Video, Inc.	Delaware	100
Special Effects Merchandise, Inc.	Delaware	100
Spelling Entertainment Group Inc.	Delaware	75
Spelling Entertainment Inc.	Delaware	100
Spelling Films Inc.	Delaware	100
Spelling Pictures Inc.	Delaware	100
Spelling Satellite Networks, Inc.	California	100
Spelling Television (Canada) Inc.	Canada (B. C.)	100
Spelling Television Inc.	Delaware	100
Spelling/Ball Joint Venture, The	California	100
St. Francis Ltd.	Cayman Islands	100
St. Ives Company Ltd.	Cayman Islands	100
State of Mind Inc.	Delaware	100
Sunn Classic Pictures, Inc.	Utah	100
T & R Payroll Company	Delaware	100
Talent Court Productions, Inc.	Delaware	100
Taylor Forge Memphis, Inc.	Delaware	100
Tele-Vu Ltee.	Canada (Federal)	100
Tele-Vue Systems, Inc.	Washington	100
Television Signal Corporation	California	100
Theatre 59 Ltd.	Delaware	100
They Productions Inc.	Delaware	100
Thinner Productions, Inc.	Delaware	100
Third Century Company	Delaware	100
Thirteenth Century Corporation	Delaware	100
Thirtieth Century Corporation	Delaware	100
Ticket Songs Inc.	Delaware	100
Timber Purchase Company	Florida	100
Titus Productions, Inc.	California	100
Toe-To-Toe Productions Inc.	Delaware	100
Torand Payroll Company	Delaware	100
Torand Productions Inc.	Delaware	100
Total Warehouse Services Corporation	Delaware	100

SUBSIDIARIES	STATE OR OTHER JURISDICTION OF INCORPORATION	PERCENTAGE OF VOTING	
		SECURITIES OWNED DIRECTLY OR	INDIRECTLY
Trans-American Resources, Inc.	Delaware		100
Tredegars Home Entertainment Limited	United Kingdom		100
TRF III Entertainment, Inc.	Delaware		100
Triohurst Limited.	United Kingdom		100
TS Video, Inc.	Louisiana		100
TSM Services Inc.	Delaware		100
Tunes By Nickelodeon Inc.	Delaware		100
TV Scoop Inc.	Delaware		100
UI Video Stores, Inc.	Colorado		100
UIV Acquisition Corporation	Delaware		100
United Community Antenna System, Inc.	Washington		100
Universal American Corporation	Delaware		100
Uptown Productions Inc.	Delaware		100
Uro, S.A.	Spain		100
Valdez Oil Inc.	Delaware		100
VE Development Company	Delaware		100
VE Drive inc.	Delaware		100
VE Television Inc.	Delaware		100
VH-1 Management GmbH	Germany		100
VH-1 OHG	Germany		100
VHONE Inc.	Delaware		100
Viacom A.G.	Switzerland		100
Viacom Asia Inc.	Delaware		100
Viacom Bay Area Sports Inc.	Delaware		100
Viacom Bay Interconnect Inc.	California		100
Viacom Broadcasting East Inc.	Delaware		100
Viacom Broadcasting of Missouri Inc.	Delaware		100
Viacom Broadcasting West Inc.	Delaware		100
Viacom Cablevision Inc.	California		100
Viacom Cablevision of Dayton Inc.	Delaware		100
Viacom Cablevision of Northern California Inc.	California		100
Viacom Camden Lock Inc.	Delaware		100
Viacom Canada Limited	Canada (Federal)		100
Viacom Capital Ownership Inc.	Delaware		100
Viacom Communications Inc.	California		100
Viacom Enterprises Canada Ltd.	Canada (Federal)		100
Viacom First Run Development Company Inc.	Delaware		100
Viacom First Run Limited	Delaware		100
Viacom Group Finance Limited	United Kingdom		100
Viacom HA! Holding Company	Delaware		100
Viacom IDA Inc.	Delaware		100
Viacom International (Netherlands) B.V.	Netherlands		100
Viacom International Canada Ltd.	Canada (Ontario)		100
Viacom International Holdings B.V.	Netherlands		100
Viacom International Inc.	Delaware		100
Viacom International Inc. Political Action Committee Corporation	New York		100
Viacom International Limited	United Kingdom		100
Viacom International Pty. Limited	Australia		100
Viacom International Services Inc.	Delaware		100
Viacom Japan Inc.	New York		85

SUBSIDIARIES	STATE OR OTHER JURISDICTION OF INCORPORATION	PERCENTAGE OF VOTING	
		SECURITIES OWNED DIRECTLY OR	INDIRECTLY
Viacom K-Band Inc.	Delaware		100
Viacom MGS Services Inc.	Delaware		100
Viacom Middle East VOF	Netherlands Antilles		100
Viacom Networks Europe Inc.	Delaware		100
Viacom Networks Inc.	New York		100
Viacom Pacific Limited	Vila, Vanuatu		100
Viacom Phoenix Inc.	Delaware		100
Viacom Pictures Development Company	Delaware		100
Viacom Pictures Inc.	Delaware		100
Viacom Pictures Movie Music Inc.	Delaware		100
Viacom Pictures Overseas Inc.	Delaware		100
Viacom Pictures Songs Inc.	Delaware		100
Viacom Productions Inc.	Delaware		100
Viacom Properties Inc.	Delaware		100
Viacom Realty Corporation	Delaware		100
Viacom Satellite News Inc.	Delaware		100
Viacom Shopping Inc.	Delaware		100
Viacom Telecom Inc.	Delaware		100
Viacom Telecommunications (D.C.) Inc.	Delaware		100
Viacom VHENO GmbH	Germany		100
Viacom VHENO Inc.	Delaware		100
Viacom Video-Audio Communicacoes Limitada	Brazil		100
Viacom WBFS Inc.	Delaware		100
Viacom WGBS Inc.	Delaware		100
Viacom World Wide Ltd.	New York		100
Viacom WSBK Inc.	Delaware		100
Video Club (G.B.) Limited	United Kingdom		100
Video Store (Jersey) Limited	Channel Islands		100
VIE Holding Company	Delaware		100
Virgin Interactive Entertainment (Espana) S.A.	Spain		100
Virgin Interactive Entertainment (Europe)	United Kingdom		100

Ltd.		
Virgin Interactive Entertainment (France) S.A.R.L. Ltd.	France	100
Virgin Interactive Entertainment (Holdings) Ltd.	United Kingdom	100
Virgin Interactive Entertainment (Investments) Limited	United Kingdom	100
Virgin Interactive Entertainment (Japan) K.K.	Japan	100
Virgin Interactive Entertainment (Overseas) Ltd.	United Kingdom	100
Virgin Interactive Entertainment Deutschland GmbH	Germany	100
Virgin Interactive Entertainment Limited	United Kingdom	100
Virgin Interactive Inc.	Delaware	100
Virgin Retail Australia Pty. Ltd.	Australia	100
VISI Services Inc.	Delaware	100
Vision Productions, Inc.	New York	100
Vista Television Cable, Inc.	Washington	100
VJK Inc.	Delaware	100
VNM Inc.	Delaware	100
VP Direct Inc.	Delaware	100
VP Programs Inc.	California	100
VSC Cable Inc.	Delaware	100

SUBSIDIARIES	STATE OR OTHER JURISDICTION OF INCORPORATION	PERCENTAGE OF VOTING	
		SECURITIES OWNED DIRECTLY OR INDIRECTLY	INDIRECTLY
VSC Communications Inc.	Delaware	100	
VSC Compositions Inc.	New York	100	
VSC Music Inc.	New York	100	
Warren Schloat Productions, Inc.	New York	100	
Western Row Properties, Inc.	Ohio	100	
Westside Amphitheater Corporation, The	Arizona	100	
Westwood Studios, Inc.	Nevada	100	
Wheatsheaf Books Limited	United Kingdom	100	
Wilshire Court Productions, Inc.	Delaware	100	
Wilshire Entertainment Inc.	Delaware	100	
Wilshire Payroll Inc.	Delaware	100	
Wilshire/Hauser Company	Delaware	100	
WMJX, Inc.	Florida	100	
WMZQ Inc.	Delaware	100	
WNYT Inc.	Delaware	100	
Woburn Insurance Ltd.	Bermuda	100	
Woodhead-Faulkner (Publishers) Limited	United Kingdom	100	
World Entertainment Corporation	New York	100	
World Volleyball League, Inc.	New York	100	
Worldvision Enterprises, Inc.	New York	100	
Worldvision Enterprises, GmbH	Germany	100	
Worldvision Enterprises (France) S.A.R.L.	France	100	
Worldvision Enterprises (United Kingdom), Ltd.	New York	100	
Worldvision Enterprises de Venezuela	Venezuela	100	
Worldvision Enterprises Latino-Americana	Panama	100	
Worldvision Enterprises of Australia, Pty., Ltd.	Australia	100	
Worldvision Enterprises of Canada, Limited	New York	100	
Worldvision Filmes do Brasil, Ltda.	Brazil	100	
Worldvision Foreign Sales Corporation	Virgin Islands	100	
Worldvision Home Video, Inc.	New York	100	
Worldvision Television Programming, Inc.	Delaware	100	
Worldwide Productions, Inc.	Delaware	100	
WSBK License, Inc.	Delaware	100	
WV Productions, Inc.	Delaware	100	
WVIT Inc.	Delaware	100	
Yellams LDC	Cayman Islands	100	
Young Reader's Press, Inc.	Delaware	100	

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Prospectus constituting part of the Registration Statements on Form S-3 (No. 33-53485 and No. 33-55785) of Viacom Inc. and Viacom International Inc. and in the Registration Statements on Form S-8 (No. 41934, No. 56088, No. 59049, No. 59141, No. 55173, No. 55709 and No. 60943) of Viacom Inc. of our report dated February 14, 1996 included in Item 8 of this Form 10-K.

PRICE WATERHOUSE LLP

New York, New York
March 29, 1996

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 Philippe Dauman and Michael Fricklas his true lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1995 (and any amendments thereto); granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully for all intents and purposes as he might or could do in person hereby ratifying and confirming all that the said attorney-in-fact and agent, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto signed my name this 25th day of March, 1996.

/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 Philippe Dauman and Michael Fricklas his true lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1995 (and any amendments thereto); granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully for all intents and purposes as he might or could do in person hereby ratifying and confirming all that the said attorney-in-fact and agent, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto signed my name this 25th day of March, 1996.

/s/ Ivan Seidenberg

Ivan Seidenberg

VIACOM INC.

Power of Attorney

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IN WITNESS WHEREOF, I have hereunto signed my name this 25th day of March, 1996.

/s/ Thomas E. Dooley

Thomas E. Dooley

VIACOM INC.

Power of Attorney

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IN WITNESS WHEREOF, I have hereunto signed my name this 25th day of March, 1996.

/s/ George D. Johnson, Jr.

George D. Johnson, Jr.

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 Philippe Dauman and Michael Fricklas his true lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1995 (and any amendments thereto); granting unto said attorney-in-fact and agent, full power and

authority to do and perform each and every act and thing requisite and necessary to be done, as fully for all intents and purposes as he might or could do in person hereby ratifying and confirming all that the said attorney-in-fact and agent, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto signed my name this 25th day of March, 1996.

/s/ Ken Miller

Ken Miller

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 Philippe Dauman and Michael Fricklas his true lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1995 (and any amendments thereto); granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully for all intents and purposes as he might or could do in person hereby ratifying and confirming all that the said attorney-in-fact and agent, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto signed my name this 25th day of March, 1996.

/s/ Brent D. Redstone

Brent D. Redstone

VIACOM INC.

Power of Attorney

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IN WITNESS WHEREOF, I have hereunto signed my name this 25th day of March, 1996.

/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 Philippe Dauman and Michael Fricklas his true lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1995 (and any amendments thereto); granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully for all intents and purposes as he might or could do in person hereby ratifying and confirming all that the said attorney-in-fact and agent, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto signed my name this 25th day of March, 1996.

/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 Philippe Dauman and Michael Fricklas his true lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1995 (and any amendments thereto); granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully for all intents and purposes as he might or could do in person hereby ratifying and confirming all that the said attorney-in-fact and agent, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, I have hereunto signed my name this 25th day of March, 1996.

/s/ William Schwartz

William Schwartz

<ARTICLE> 5

<LEGEND>

the schedule contains summary financial information extracted from audited financial statements of viacom inc. for the year ended december 31, 1995 and is qualified in its entirety by reference to such financial statements.

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