

Viacom Inc.
Form 424B2
February 16, 2011
Table of Contents

Filed pursuant to Rule 424(b)(2)

Registration No. 333-162962

CALCULATION OF REGISTRATION FEE

Title of each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee (1)
4.500% Senior Notes due 2021 (1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933.	\$ 500,000,000	\$ 58,050

Table of Contents**PROSPECTUS SUPPLEMENT**

(To prospectus dated November 6, 2009)

\$500,000,000**VIACOM INC.****4.500% Senior Notes due 2021**

The senior notes due 2021 (the "senior notes") will bear interest at 4.500% per year and will mature on March 1, 2021. We will pay interest on the senior notes semi-annually in arrears on March 1 and September 1 of each year, beginning on September 1, 2011. We may redeem the senior notes, in whole or in part, at any time and from time to time at a redemption price equal to the principal amount plus the applicable premium, if any, and accrued and unpaid interest to the redemption date. If we experience a change of control repurchase event and have not otherwise elected to redeem the senior notes, we will make an offer to each holder of the senior notes to repurchase all or any part of such holder's senior notes as described under the caption "Description of the Senior Notes - Purchase of Senior Notes upon a Change of Control Repurchase Event." The senior notes do not provide for a sinking fund.

The senior notes will be unsecured senior obligations of Viacom Inc. and will rank equally with Viacom Inc.'s other existing and future unsecured senior obligations.

Investing in the senior notes involves risks that are described in the Risk Factors sections of our Transition Report on Form 10-K for the nine months ended September 30, 2010 (our 2010 Form 10-K) and our Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2010 (our Q1 2011 Form 10-Q), and on page S-5 of this prospectus supplement.

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Viacom (before expenses)
Per Senior Note ⁽¹⁾	98.320%	0.450%	97.870%
Total	\$ 491,600,000	\$ 2,250,000	\$ 489,350,000

⁽¹⁾ Plus accrued interest, if any, from February 22, 2011 if settlement occurs after that date.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the senior notes or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

We expect that the senior notes will be ready for delivery only in book-entry form through the facilities of The Depository Trust Company for the accounts of its participants, including Clearstream Luxembourg or Euroclear, against payment in New York, New York on or about February 22, 2011.

Joint Book-Running Managers

BofA Merrill Lynch

Morgan Stanley

Wells Fargo Securities

Co-Managers

**Mizuho Securities USA Inc.
Goldman, Sachs & Co.
Banca IMI**

The Williams Capital Group, L.P.

**UBS Investment Bank
SMBC Nikko
US Bancorp**

The date of this prospectus supplement is February 14, 2011

Table of Contents

TABLE OF CONTENTS

Prospectus Supplement

	Page
<u>About This Prospectus Supplement</u>	S-ii
<u>Cautionary Statement Concerning Forward-Looking Statements</u>	S-ii
<u>Summary</u>	S-1
<u>Risk Factors</u>	S-5
<u>Use Of Proceeds</u>	S-6
<u>Ratio of Earnings to Fixed Charges</u>	S-6
<u>Capitalization</u>	S-7
<u>Description of the Senior Notes</u>	S-8
<u>European Union Directive on the Taxation of Savings Income</u>	S-17
<u>U.S. Federal Income Tax Considerations</u>	S-17
<u>Underwriting (Conflicts of Interest)</u>	S-21
<u>Where You Can Find More Information</u>	S-25
<u>Legal Matters</u>	S-25
<u>Experts</u>	S-25

Prospectus

	Page
<u>Risk Factors</u>	i
<u>About this Prospectus</u>	i
<u>Where You Can Find More Information</u>	ii
<u>Incorporation by Reference</u>	ii
<u>Cautionary Statement Concerning Forward-Looking Statements</u>	iii
<u>The Company</u>	1
<u>Use of Proceeds</u>	2
<u>Ratio of Earnings to Fixed Charges</u>	2
<u>Description of Debt Securities</u>	3
<u>Description of Preferred Stock</u>	12
<u>Description of Common Stock</u>	15
<u>Description of Warrants</u>	17
<u>Plan of Distribution</u>	19
<u>Legal Matters</u>	20
<u>Experts</u>	20

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first is this prospectus supplement, which describes the specific terms of this offering. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering. This prospectus supplement also adds to, updates and changes information contained in the accompanying prospectus. If the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement. The accompanying prospectus is part of a shelf registration statement that we filed with the Securities and Exchange Commission on November 6, 2009. Under the shelf registration process, from time to time, we may offer and sell debt securities, preferred stock, warrants representing rights to purchase our debt securities or preferred stock, our class A common stock, or our class B common stock, or any combination thereof, in one or more offerings.

In this prospectus supplement we use the terms *Viacom*, *we*, *us*, and *our* and similar words to refer to Viacom Inc., a Delaware corporation, and its consolidated subsidiaries, unless the context requires otherwise. References to *securities* include any security that we might offer under this prospectus supplement and the accompanying prospectus. References to *\$* and *dollars* are to United States dollars.

We have not authorized anyone to provide any information or to make any representation other than those contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or in any free writing prospectus that we have prepared. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this prospectus supplement, the accompanying prospectus, the documents incorporated by reference herein or in any free writing prospectus is accurate as of any date other than the respective dates of such documents. Our business, financial condition, results of operations and prospects may have changed since such dates.

Some of the market and industry data contained or incorporated by reference in this prospectus supplement are based on independent industry publications or other publicly available information, while other information is based on internal studies. Although we believe that these independent sources and our internal data are reliable as of their respective dates, the information contained in them has not been independently verified. As a result, you should be aware that the market and industry data contained in this prospectus supplement, and beliefs and estimates based on such data, may not be reliable.

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein contain both historical and forward-looking statements. All statements that are not statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements reflect our current expectations concerning future results, events, objectives, plans and goals and involve known and unknown risks, uncertainties and other factors that are difficult to predict and which may cause our actual results, performance or achievements to differ. These risks, uncertainties and other factors include, among others: the public acceptance of our programs, motion pictures and other entertainment content on the various platforms on which they are distributed; technological developments and their effect in our markets and on consumer behavior; the impact of piracy; competition for audiences and distribution; fluctuations in our results due to the timing, mix and availability of our motion pictures; economic conditions generally, and in advertising and retail markets in particular; changes in the Federal communications laws and regulations; other domestic and global economic, business, competitive and/or regulatory factors affecting our businesses generally; and other factors described in our news releases and filings with the Securities and Exchange Commission, including our 2010 Form 10-K, reports on Form 10-Q and Form 8-K and in the section entitled *Risk Factors* on page S-5 of this prospectus supplement. The forward-looking statements included or incorporated by reference in this prospectus supplement and the accompanying prospectus are made only as of the dates of the respective documents, and we do not have any obligation to publicly update any forward-looking statements to reflect subsequent events or circumstances.

Table of Contents

SUMMARY

The following is a summary of certain information explained in more detail elsewhere in or incorporated by reference into this prospectus supplement. In addition to this summary, you should read the entire document carefully, including (1) the risks relating to Viacom's businesses discussed in the Risk Factors sections of our 2010 Form 10-K and our Q1 2011 Form 10-Q and the risks relating to investing in the senior notes discussed on page S-5 of this prospectus supplement, and (2) the consolidated financial statements and the related notes thereto in our 2010 Form 10-K and the unaudited consolidated financial statements and the related notes thereto in our Q1 2011 Form 10-Q, each of which is incorporated by reference herein.

Viacom Inc.

Viacom is home to the world's premier entertainment brands. Through its BET Networks, MTV Networks and Paramount Pictures divisions, Viacom connects with audiences through compelling content across television, motion picture, online and mobile platforms in more than 160 countries and territories. With approximately 170 media networks reaching more than 600 million global subscribers, Viacom's leading brands include MTV®, VH1®, CMT®, Logo®, BET®, CENTRIC®, Nickelodeon®, Nick Jr.®, TeenNick™, Nicktoons®, Nick at Nite™, COMEDY CENTRAL®, TV Land®, Spike TV® and Tr3s®. Paramount Pictures®, America's oldest film studio and creator of many of the most beloved motion pictures, continues today as a major global producer and distributor of filmed entertainment. Viacom operates more than 500 branded digital media properties, including several of the world's most popular destinations for entertainment, community and casual online gaming.

We were organized as a Delaware corporation in 2005 and our principal offices are located at 1515 Broadway, New York, New York 10036. Our telephone number is (212) 258-6000 and our website is www.viacom.com. Information included on or accessible through our website does not constitute a part of this prospectus supplement or the accompanying prospectus.

S-1

Table of Contents

THE OFFERING

The following is a brief summary of some of the terms of this offering. For a more complete description of the terms of the senior notes, see Description of the Senior Notes on page S-8 of this prospectus supplement.

Issuer	Viacom Inc.
Securities offered	\$500,000,000 aggregate principal amount of 4.500% senior notes due 2021.
Maturity	The senior notes will mature on March 1, 2021.
Interest	Interest on the senior notes will accrue at the rate of 4.500% per year, payable semi-annually in cash in arrears on each March 1 and September 1, beginning on September 1, 2011.
Ranking	<p>The senior notes will be unsecured senior obligations of Viacom Inc. and will rank equally with all of Viacom Inc.'s existing and future unsecured senior obligations. As of December 31, 2010, Viacom Inc. had approximately \$6.32 billion of indebtedness outstanding as senior notes and senior debentures, and no amounts were outstanding under its commercial paper program or revolving credit facility due 2013.</p> <p>The senior notes will be structurally subordinated to all obligations of our subsidiaries including claims with respect to trade payables. As of December 31, 2010, our direct and indirect subsidiaries had \$432 million of indebtedness outstanding, including capital lease obligations.</p>
Sinking fund	None.
Optional redemption	We may redeem the senior notes, in whole or in part, at any time and from time to time at a redemption price equal to the principal amount plus the applicable premium, if any, and accrued and unpaid interest to the redemption date. See Description of the Senior Notes Optional Redemption.
Repurchase upon a change of control repurchase event	Upon the occurrence of both a change of control of Viacom Inc. and a downgrade of the senior notes below an investment grade rating by each of Moody's Investors Service Inc., Standard & Poor's Ratings Services and Fitch Ratings Ltd. within a specified period, we will make an offer to repurchase all or any part of each holder's senior notes at a price equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest, if any, to the date of repurchase. See Description of the Senior Notes Purchase of Senior Notes upon a Change of Control Repurchase Event.
Certain covenants	

Edgar Filing: Viacom Inc. - Form 424B2

We will issue the senior notes under an indenture that will, among other things, limit our ability to:

consolidate, merge or sell all or substantially all of our assets;

S-2

Table of Contents

create liens; and

enter into sale and leaseback transactions.

All of these limitations will be subject to a number of important qualifications and exceptions. See Description of the Senior Notes.

Use of proceeds

We intend to use the proceeds from this offering, after deducting underwriting discounts and commissions and our other fees and expenses related to this offering, to finance the partial tender offer for up to \$500 million of our outstanding 6.25% senior notes due 2016 pursuant to an offer to purchase dated February 14, 2011 and, to the extent that any proceeds remain, for general corporate purposes, including the potential repayment of any borrowings under our revolving credit facility due 2013 or other outstanding indebtedness. See Use of Proceeds.

Conflicts of interest

Affiliates of Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. Incorporated and Wells Fargo Securities, LLC are, and affiliates of certain other underwriters may be, lenders under our revolving credit facility due 2013. As described in Use of Proceeds, some of the net proceeds of this offering may be used to repay a portion of any borrowings outstanding under our revolving credit facility due 2013. Because more than 5% of the proceeds of this offering, not including underwriting discounts and commissions, may be received by affiliates of certain of the underwriters in this offering, this offering is being conducted in compliance with the requirements of FINRA Rule 5121, as administered by the Financial Industry Regulatory Authority, Inc. Pursuant to this rule, the appointment of a qualified independent underwriter is not necessary in connection with this offering, as the offering is of debt securities that are investment grade rated.

Governing law

The senior notes and the indenture under which they will be issued will be governed by New York law.

Risk factors

See the risks that are described in the Risk Factors sections of our 2010 Form 10-K and our Q1 2011 Form 10-Q, and on page S-5 for a discussion of the factors you should consider carefully before deciding to invest in the senior notes.

Table of Contents**SUMMARY SELECTED CONSOLIDATED FINANCIAL DATA**

The following tables present our summary selected consolidated financial data. The summary selected consolidated financial data should be read in conjunction with our consolidated financial statements and the related notes thereto and the related Management's Discussion and Analysis of Results of Operations and Financial Condition in our 2010 Form 10-K and in our Q1 2011 Form 10-Q, each of which is incorporated by reference herein. The unaudited consolidated statement of earnings data for the three months ended December 31, 2010 and 2009 and the unaudited balance sheet data as of December 31, 2010 are derived from our Q1 2011 Form 10-Q and have been prepared on a basis consistent with our audited consolidated financial statements.

Consolidated Statement of Earnings Data

(in millions, except per share amounts)

	Quarter Ended December 31,		Nine Months Ended September 30,	Year Ended December 31,	
	2010 (unaudited)	2009 (unaudited)	2010	2009	2008
Revenues	\$ 3,828	\$ 4,019	\$ 9,337	\$ 13,257	\$ 13,947
Operating income	\$ 1,040	\$ 1,141	\$ 2,207	\$ 3,045	\$ 2,562
Net earnings from continuing operations (Viacom and noncontrolling interests)	\$ 629	\$ 691	\$ 1,185	\$ 1,655	\$ 1,274
Net earnings from continuing operations attributable to Viacom	\$ 620	\$ 724	\$ 1,175	\$ 1,678	\$ 1,257
Net earnings from continuing operations per share attributable to Viacom:					
Basic	\$ 1.03	\$ 1.19	\$ 1.93	\$ 2.76	\$ 2.01
Diluted	\$ 1.02	\$ 1.19	\$ 1.92	\$ 2.76	\$ 2.01
Weighted average number of common shares outstanding:					
Basic	603.4	607.4	608.0	607.1	624.7
Diluted	608.0	609.4	610.7	608.3	625.4
Dividends declared per share of Class A and Class B common stock	\$ 0.15	\$	\$ 0.30	\$	\$

Consolidated Balance Sheet Data

(in millions)

	As of December 31, 2010 (unaudited)	As of September 30, 2010	As of December 31, 2009
Total assets	\$ 22,429	\$ 22,096	\$ 21,900
Total debt	\$ 6,753	\$ 6,752	\$ 6,773
Total Viacom stockholders' equity	\$ 9,472	\$ 9,283	\$ 8,704
Total equity	\$ 9,450	\$ 9,259	\$ 8,677

Table of Contents

RISK FACTORS

You should consider carefully all of the information set forth in this prospectus supplement, in the accompanying prospectus and any documents incorporated by reference herein and, in particular, the risk factors described below, and described in our 2010 Form 10-K and our Q1 2011 Form 10-Q. The risks described below, and described in our 2010 Form 10-K and our Q1 2011 Form 10-Q, which are incorporated by reference herein, are considered to be the most material but are not the only ones we are facing. There may be other unknown or unpredictable economic, business, competitive, regulatory or other factors that could have material adverse effects on our future results. Past financial performance may not be a reliable indicator of future performance and historical trends should not be used to anticipate results or trends in future periods.

The Senior Notes Will Be Structurally Subordinated to All Obligations of Our Subsidiaries

The senior notes will not be guaranteed by our subsidiaries, and therefore they will be structurally subordinated to all existing and future indebtedness and other obligations of our subsidiaries, including claims with respect to trade payables. As of December 31, 2010, our direct and indirect subsidiaries had \$432 million of indebtedness outstanding, including capital lease obligations. The indenture for the senior notes will not prohibit or limit any of our subsidiaries from incurring any indebtedness or other obligations. In the event of a bankruptcy, liquidation or dissolution of a subsidiary, following payment by the subsidiary of its liabilities, the subsidiary may not have sufficient assets to make payments to us.

An Active Trading Market for the Senior Notes May Not Develop or Be Sustained

The senior notes are new securities for which there currently is no market. We have not listed and do not intend to list the senior notes on any U.S. national securities exchange or quotation system. Although the underwriters have advised us that they currently intend to make a market in the senior notes after completion of the offering, they have no obligation to do so, and such market making activities may be discontinued at any time and without notice. We cannot assure you that any market for the senior notes will develop or be sustained. If an active market is not developed or sustained, the market price and liquidity of the senior notes may be adversely affected.

Table of Contents**USE OF PROCEEDS**

We estimate that the net proceeds from this offering of the senior notes after deducting the underwriting discounts and commissions and our other offering fees and expenses will be approximately \$488 million. We intend to use the proceeds from this offering, after deducting fees and expenses related to this offering, to finance the partial tender offer for up to \$500 million of our outstanding 6.25% senior notes due 2016 pursuant to an offer to purchase dated February 14, 2011 and, to the extent that any proceeds remain, for general corporate purposes, including the potential repayment of any borrowings under our revolving credit facility due 2013 or other outstanding indebtedness. Borrowing rates under our revolving credit facility are determined at our option at the time of each borrowing and are based generally on the London Interbank Offer Rate plus a margin based on our public debt rating, which margin can range from 0.75% to 2.0% based on our current credit rating.

RATIO OF EARNINGS TO FIXED CHARGES

Set forth below is information concerning our ratio of earnings to fixed charges. For purposes of determining the ratio of earnings to fixed charges, earnings consist of earnings from continuing operations before income taxes, adjusted for equity in earnings or losses of affiliate companies, plus distributed income of equity affiliates and fixed charges. Fixed charges are defined as interest expense and one-third of gross rent expense relating to operating leases, which is deemed to be representative of interest.

	Quarter Ended December 31, 2010	Nine Months Ended September 30, 2010	Year Ended December 31,			
			2009	2008	2007	2006
Ratio of Earnings to Fixed Charges	8.8x	6.1x	6.1x	4.5x	5.7x	5.4x

Table of Contents**CAPITALIZATION**

The following table sets forth our cash and cash equivalents and consolidated capitalization as of December 31, 2010 on an as reported basis and as adjusted for the issuance of the senior notes and the use of the net proceeds therefrom as described under Use of Proceeds, after deducting the underwriting discounts and commissions and the estimated offering expenses. This table should also be read together with our unaudited consolidated historical financial statements and the related notes thereto in our Q1 2011 Form 10-Q.

(in millions)	At December 31, 2010	
	As Reported	As Adjusted(1)
Cash and cash equivalents(2)	\$ 911	\$ 829
Debt (including current portion):		
Existing Senior Notes and Senior Debentures(3)	\$ 6,321	\$ 5,822
Commercial paper and revolving credit facility		
Capital leases and other obligations	432	432
4.500% Senior Notes due 2021 offered hereby		492
Total debt	6,753	6,746
Redeemable noncontrolling interest	133	133
Viacom stockholders' equity:		
Class A common stock, par value \$0.001 per share, 375 shares authorized; 51.6 shares outstanding		
Class B common stock, par value \$0.001 per share, 5,000 shares authorized; 546.8 shares outstanding	1	1
Additional paid-in capital	8,388	8,388
Treasury stock	(6,125)	(6,125)
Retained earnings(4)	7,294	7,252
Accumulated other comprehensive loss(5)	(86)	(92)
Total Viacom stockholders' equity	9,472	9,424
Noncontrolling interests	(22)	(22)
Total equity	9,450	9,402
Total capitalization	\$ 16,336	\$ 16,281

- (1) To the extent that less than \$500 million of our 6.25% senior notes due 2016 are tendered pursuant to the partial tender offer for such notes, the amounts in the table in the As Adjusted column will differ.
- (2) As adjusted reflects the reported amount plus \$488 million of cash received from our issuance of \$500 million of aggregate principal amount of senior notes offered hereby less the assumed cash payments of \$570 million used to repurchase \$500 million principal amount of our outstanding 6.25% senior notes due 2016 pursuant to the partial tender offer for such notes, which excludes the payment of accrued interest.
- (3) As adjusted reflects the reported amount minus \$500 million of aggregate principal amount (\$499 million carrying amount) of our 6.25% senior notes due 2016 assumed to be repurchased net of the associated amount of remaining unamortized underwriting discounts.
- (4) As adjusted reflects the reported amount less a \$42 million, net of tax, loss on the extinguishment of an assumed \$500 million aggregate principal amount of our 6.25% senior notes due 2016 pursuant to the partial tender offer for such notes.

- (5) As adjusted reflects the recognition of a \$6 million gain on a previously settled interest rate swap resulting from the assumed extinguishment of \$500 million of aggregate principal amount of our 6.25% senior notes due 2016.

S-7

Table of Contents

DESCRIPTION OF THE SENIOR NOTES

General

The senior notes offered hereby will be issued under an indenture dated as of April 12, 2006 (the base indenture), as supplemented by a first supplemental indenture dated April 12, 2006, as further supplemented by a second supplemental indenture dated as of June 16, 2006, as further supplemented by a third supplemental indenture dated as of December 13, 2006, as further supplemented by a fourth supplemental indenture dated as of October 5, 2007, as further supplemented by a fifth supplemental indenture dated as of August 26, 2009, as