Viacom Inc.
Form 424B3
September 21, 2006
Table of Contents

Filed Pursuant to Rule 424(b)(3)
Registration No.: 333-136756

VIACOM INC.

OFFER TO EXCHANGE

Unregistered Floating Rate Senior Notes due 2009
($750,000,000 aggregate principal amount issued June 16, 2006)
for
Floating Rate Senior Notes due 2009
that have been registered under the Securities Act of 1933

and

Unregistered 5.75% Senior Notes due 2011
($1,500,000,000 aggregate principal amount issued April 12, 2006)
for
5.75% Senior Notes due 2011
that have been registered under the Securities Act of 1933

and

Unregistered 6.25% Senior Notes due 2016
($1,500,000,000 aggregate principal amount issued April 12, 2006)
for
6.25% Senior Notes due 2016
that have been registered under the Securities Act of 1933

and

Unregistered 6.875% Senior Debentures due 2036
($1,750,000,000 aggregate principal amount issued April 12, 2006)
for
6.875% Senior Debentures due 2036
that have been registered under the Securities Act of 1933

TERMS OF EXCHANGE OFFER

- The exchange offer will expire at 5:00 p.m., New York City time, on October 18, 2006, unless we extend the offer.
- Tenders of outstanding unregistered senior notes and debentures may be withdrawn at any time before 5:00 p.m. on the date of expiration of the exchange offer.
- All outstanding unregistered senior notes and debentures that are validly tendered and not validly withdrawn will be exchanged.

- The terms of the exchange senior notes and debentures to be issued are substantially similar to the unregistered senior notes and debentures, except for being registered under the Securities Act of 1933 (the ''Securities Act'') and not having any transfer restrictions, registration rights or rights to additional interest.
- The exchange of senior notes and debentures will not be a taxable exchange for U.S. federal income tax purposes.
- We will not receive any proceeds from the exchange offer.

Please see ''Risk Factors'' beginning on page 18 for a discussion of certain factors you should consider in connection with the exchange offer.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the senior securities to be distributed in the exchange offer, nor have any of these organizations determined that this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is September 20, 2006

TABLE OF CONTENTS

You should rely only on the information contained in this prospectus. We have not authorized anyone to provide you with different or additional information. If anyone provides you with different or additional information, you should not rely on it. You should assume that the information contained in this prospectus is accurate only as of the date of this prospectus. Our business, financial condition, results of operations and prospects may have changed since then. We are not making an offer of the senior notes and debentures in any jurisdiction where the offer is not permitted.

References to ''Viacom,'' ''we,'' ''us'' and ''our'' in this prospectus are references to Viacom Inc., a Delaware corporation, a consolidated subsidiaries, unless the context otherwise requires. References to ''$'' and ''dollars'' are to United States dollars.

Whenever we refer in this prospectus to the floating rate senior notes due 2009 issued on June 16, 2006, the 5.75% senior notes due 2011 issued on April 12, 2006, the 6.25% senior notes due 2016 issued on April 12, 2006 or the 6.875% senior debentures due 2036 issued on April 12, 2006, we will refer to them as the ''unregistered 2009 senior notes,'' the ''unregistered 2011 senior notes,'' the ''unregistered 2016 senior notes'' or the ''unregistered 2036 senior debentures,'' respectively, and collectively as the ''unregistered senior notes and debentures.'' Whenever we refer in this prospectus to the registered floating rate senior notes due 2009, the registered 5.75% senior notes due 2011, the registered 6.25% senior notes due 2016 or the registered 6.875% senior debentures due 2036, we will refer to them as the ''exchange 2009 senior notes,'' the ''exchange 2011 senior notes,'' the ''exchange 2016 senior notes'' or the ''exchange 2 senior debentures,'' respectively, and collectively as the ''exchange senior notes and debentures.'' The unregistered 2009 senior notes and the exchange 2009 senior notes are collectively referred to as the ''2009 senior notes,'' the unregistered 2011 senior notes and the exchange 2011 senior notes are collectively referred to as the ''2011 senior notes,'' the unregistered 2016 senior notes and the exchange 2016 senior notes are collectively referred to as the ''2016 senior notes,'' and the unregistered 2036 senior debentures and the exchange 2036 senior

debentures are collectively referred to as the ''2036 senior debentures.'' The unregistered senior notes and debentures and the exchange senior notes and debentures are collectively referred to as the ''senior notes and debentures.''

Each holder of an unregistered senior note or debenture wishing to accept the exchange offer must deliver the unregistered senior notes or debentures to be exchanged, together with the letter of transmittal that accompanies this prospectus and any other required documentation, to the exchange agent identified in this prospectus. Alternatively, you may effect a tender of unregistered senior notes and debentures by book-entry transfer into the exchange agent's account at Euroclear Bank S.A./N.A., as operator of the Euroclear System (''Euroclear''), Clearstream Banking, société anonyme, Luxembourg (''Clearstream Luxembourg'') or The Depository Trust Company (''DTC''). All deliveries are at the risk of the holder. You can find detailed instructions concerning delivery in the section called ''The Exchange Offer'' in this prospectus and in the accompanying letter of transmittal.

If you are a broker-dealer that receives exchange senior notes and debentures for your own account you must acknowledge that you will deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of the exchange senior notes and debentures. The letter of transmittal accompanying this prospectus states that by so acknowledging and by delivering a prospectus, you will not be deemed to admit that you are an ''underwriter'' within the meaning of the Securities Act. You may use this prospectus, as we may amend or supplement it in the future, for your resales of exchange senior notes and debentures. We will make this prospectus available to any broker-dealer for use in connection with any such resale for a period of 180 days after the date of expiration of this exchange offer or such shorter period which will terminate when the broker-dealers have completed all resales subject to applicable prospectus delivery requirements.

ii

Table of Contents

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This prospectus contains both historical and forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements within the meaning of Section 27A of the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. These forward-looking statements are not based on historical facts, but rather reflect our current expectations concerning future results and events. These forward-looking statements generally can be identified by the use of statements that include words such as ‘‘believe,’’ ‘‘expect,’’ ‘‘anticipate,’’ ‘‘intend,’’ ‘‘plan,’’ ‘‘foresee,’’ ‘‘likely,’’ ‘‘will’’ or other similar w Similarly, statements that describe our objectives, plans or goals are or may be forward-looking statements. These forward-looking statements are not guarantees of future performance 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 be different from any future results, performance and achievements expressed or implied by these statements. More information about risks, uncertainties and other factors is included in Viacom’s filings with the SEC including, but not limited to, Viacom’s Form 10-K for the year ended December 31, 2005, Viacom’s Form 10-Q for the quarter ended March 31, 2006 and Viacom’s Form 10-Q for the quarter ended June 30, 2006. There may be additional risks, uncertainties and factors that we do not currently view as material or that are not necessarily known. We cannot make any assurance that projected results or events will be achieved. The forward-looking statements included in this prospectus are only made as of the date of this prospectus and we do not have any obligation to publicly update any forward-looking statement to reflect subsequent events or circumstances. The risk factors in the section entitled ‘‘Risk Factors’’ beginning on page 18, among others, could affect future results, causing these results to differ materially from those expressed in our forward-looking statements.

iii

Table of Contents

SUMMARY

The Company

Separation from the Former Viacom Inc.

On December 31, 2005, we became a stand-alone public entity by separating from the former Viacom Inc. (‘‘Former Viacom’’). Prior to the separation, we were a wholly-owned subsidiary of Former Viacom. The separation was effected through a merger of Former Viacom and one of its wholly-owned subsidiaries, pursuant to which Former Viacom continued as the surviving entity and was renamed CBS Corporation and we were renamed Viacom Inc. In connection with the merger and the separation, each share of Former Viacom Class A common stock was converted into the right to receive 0.5 of a share of Viacom Class A common stock and 0.5 of a share of CBS Corporation Class A common stock. Similarly, each share of Former Viacom Class B common stock was converted into the right to receive 0.5 of a share of Viacom Class B common stock and 0.5 of a share of CBS Corporation Class B common stock. Holders of Viacom Class A and Class B common stock received cash in lieu of fractional shares.

In accordance with the terms of the Separation Agreement between CBS Corporation and Viacom, on December 29, 2005, we paid a preliminary special dividend of $5.4 billion to CBS Corporation, subject to certain adjustments. On March 14, 2006, CBS Corporation provided an initial statement that the dividend should be increased by a net amount of approximately $460 million. On April 28, 2006, we served CBS Corporation with a notice of disagreement. Based on an assessment of the amount and underlying components of the proposed additional dividend payment, we recorded a net amount of $170.2 million at March 31, 2006, which was paid to CBS Corporation on May 5, 2006. Under the Separation Agreement, after an opportunity for the parties to negotiate resolution of differences, any disputed amounts are subject to arbitration. Any further adjustment to the special dividend will be reflected as an adjustment to additional paid-in capital.

Overview

We are a leading worldwide multiplatform, pure play content company with operations in the following segments:

Cable Networks: The Cable Networks segment consists of the businesses of MTV Networks, including MTV: Music Television® (‘‘MTV’’), MTV2®, Nickelodeon®, Nick at Nite®, Noggin®, The N®, Nicktoons Network™, Turbo Nick™, VH1®, TV Land®, Spike TV®, CMT®: Country Music Television™, Logo™, Comedy Central®, Comedy Central’s MotherLoad™, MTV Desi™, MTV Chi™, MTV Español®, mtvU™, mtvU Uber™, MTV Hits™, MTV Jams™, TEMPO™, MTV Overdrive™, MHD™, VH1 Classic™, VHUno™, VH1 Soul™, VH1 Country™, VH1’s Vspot™, Game One™, VIVA™, TM Paramount Comedy™, Neopets™, GameTrailers.com™ and IFILM®, and the businesses of BET Networks, which include BET® (Black Entertainment Television) and BET J™; and other program services, including online programming services such as websites, broadband channels and wireless applications.

Entertainment: The Entertainment segment includes Paramount Pictures®, which produces and distributes feature motion pictures, Famous Music®, which engages in the music publishing business, and interests in 19 movie theaters.

Our revenues from the Cable Networks segment accounted for 64% of our consolidated revenues for the six months ended June 30, 2006 and for 70% of our consolidated revenues for 2005. Our revenues from the Entertainment segment accounted for 37% of our consolidated revenues for the six months ended June 30, 2006 and for 31% of our consolidated revenues for 2005. Elimination of intercompany revenues accounted for (1)% of our consolidated revenues for the six months ended June 30, 2006 and for (1)% of our consolidated revenues for 2005. Revenues from the Cable Networks

---

Table of Contents

segment are generated primarily from advertising sales, affiliate fees, home entertainment sales and licensing and merchandising of branded products. Revenues from the Entertainment segment are generated primarily from the licensing and sale of feature film rights in various media and territories.

Recent acquisitions and dispositions. On August 9, 2006, we agreed to acquire Atom Entertainment, Inc., a portfolio of four online destinations for casual games, short films and animation, for cash consideration of approximately $200 million. The acquisition is subject to customary closing conditions and is expected to close in the third quarter. On June 1, 2006, we acquired an additional ten percent interest in Nickelodeon UK Limited (‘‘Nick UK’’) for $8.9 million. Previously, Nick UK was a fifty-fifty joint venture with BSkyB. With the additional interest, we obtained control of Nick UK and began consolidating its operations as of June 1, 2006. On May 9, 2006, we completed the acquisition of Xfire, Inc, a leading gaming and social networking service, for initial cash consideration of approximately $102 million. An additional $8 million is expected to be paid out over four years based upon continued service of the employees. On January 31, 2006, we completed our acquisition of DreamWorks L.L.C. (‘‘DreamWorks’’), a leading producer of live-action motion pictures, television programming and home entertainment products, for approximately $1.53 billion, net of cash acquired. We also entered into exclusive seven-year agreements for worldwide distribution rights and fulfillment services to films produced by DreamWorks Animation SKG, Inc. Among the assets acquired with the purchase of DreamWorks was a live-action film library consisting of 59 films released through September 16, 2005. On May 5, 2006, we sold a fifty-one percent controlling interest in the entity that owns the library to Soros Strategic Partners LP and Dune Entertainment II LLC, an affiliate of Dune Capital Management LP, for net proceeds of $675.3 million. We retained a minority interest in the entity that owns the library. In connection with the sale of the live-action film library, Soros entered into exclusive five-year agreements with Paramount Pictures and its international affiliates for distribution and fulfillment services of the live-action library by Paramount Pictures. In the event that Soros and Dune continue to control the entity that owns the film library after the fifth year, the distribution agreement with Paramount Pictures will automatically renew.

We compete with many different entities and media in various markets worldwide. Our primary competitors in the cable and entertainment businesses include Time Warner Inc., News Corporation, The Walt Disney Company, NBC Universal Inc., The E.W. Scripps Company and Discovery Holding Company.

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 address is www.viacom.com.

Recent Developments

On September 5, 2006, we announced that our Board of Directors elected Philippe P. Dauman as our President and Chief Executive Officer, effective September 5, 2006. Mr. Dauman succeeds Thomas E. Freston, who resigned his positions with Viacom, including as a member of the Board. As a result of his separation from employment, Mr. Freston's payments are currently expected to be generally consistent with the terms of his employment agreement, including, without limitation, the expense and payment of approximately $60 million in cash and the recognition of approximately $10 million in previously unrecognized compensation expense related to vesting of previously granted stock based compensation. Our Board of Directors also elected Thomas E. Dooley as Viacom's Senior Executive Vice President and Chief Administrative Officer. Messrs. Dauman and Dooley are currently members of our Board of Directors and will continue as directors. For more information, see ‘‘Management’’ beginning on page 76.

Competitive Strengths

We believe we possess a number of strengths that enable us to compete successfully:

Table of Contents

One of the largest collections of cable programming assets in the world, with leading global brands that are attractive advertiser vehicles. We have one of the largest collections of cable programming assets in the world. Our leading program services reach 179 territories through more than 120 worldwide cable networks presented in 28 different languages and reach over 480 million subscriber households worldwide. In the United States, our leading networks program approximately 1,720 hours per week and, according to Nielsen Media Research®, reached approximately 150 million television viewers each week in the period from February 2006 to June 2006. Many of our brands, such as MTV, Nickelodeon and VH1, are known worldwide. MTV is one of the most widely distributed television brands and is regularly cited, most recently in 2006, as The World's Most Valuable Media Brand by Interbrand Corp., an international brand consultancy. Nickelodeon, which as of June 2006 was available in approximately 300 million television households worldwide as a full channel or a branded program block, is the world's most widely distributed children's television brand and has been the top-rated cable network for children in the United States for the past 11 years.

MTV Networks and BET Networks develop brands that appeal to a wide range of targeted niche audiences, which also represent demographics sought after by advertisers. In the United States, MTV Networks and BET Networks delivered the most multichannel viewers in the 12 to 34-year-old demographic during 2006, through July 31, 2006, according to Nielsen Media Research. MTV: Music Television has been the top advertising-supported 24-hour basic cable network among 12- to 24-year-olds for 37 consecutive quarters, and Nickelodeon accounted for approximately 53% of all viewing of advertising-supported children's television programming in the United States by children ages two to eleven during the 2005-2006 broadcast season from September 2005 through June 2006. Our broad distribution to specialized audiences and our focus on forging strong connections with our audiences make our networks an attractive vehicle for advertisers. Our strong in-house research teams focus on identifying emerging behaviors and trends among core audiences, which we believe is a key competitive advantage. These factors, combined with our integrated presence on a variety of digital and broadcast platforms, allow us to provide an efficient and reliable vehicle for advertisers to reach consumers.

A long-standing international presence with a global footprint. We have a significant and growing presence worldwide. Established advertising, distribution and programming relationships in these markets, together with our infrastructure, provide a strong platform for new channel launches and complementary acquisitions. We have created over 120 worldwide cable networks that are seen in 179 territories. Since January 2006, we have launched more than seven channels and branded program blocks, including MTV in Canada, MTV base Africa branded program blocks in Uganda, Nick Jr2 in the United Kingdom, Nick at Nite branded program blocks in Latin America, Nickelodeon in New Zealand and Nickelodeon branded program blocks in Malaysia and the Philippines. Our global footprint also allows us to incubate technical and programming expertise in emerging markets where certain new media products have been deployed more extensively than in the U.S. markets. For example, we have launched programming applications for advanced mobile services in Japan and Europe, which we believe better prepares us to offer these services as the U.S. market develops.

A strong connection with audiences, a proven ability to create global hits and a valuable entertainment library. Our focus on understanding our audiences through research enhances our ability to develop innovative and original programming. Our programming is broadly diversified, with popular shows and films that appeal to a variety of audiences, and with new shows and interactive programming continually being developed and debuted throughout the year. Our television programming includes popular shows and enduring characters, including The Real World, SpongeBob SquarePants, South Park, Dora the Explorer, The Daily Show with Jon Stewart, Laguna Beach, Blue's Clues and Rugrats. Our programming also includes events, such as the annual MTV Video Music Awards, Nickelodeon's Kids' Choice Awards, VH1 Save the Music, CMT Music Awards, MTV Movie Awards, CMT's Miss America Pageant, Spike TV Video Game Awards, Comedy Central Roast and the BET Awards. We have significant in-house creative capabilities and have helped launch the careers of some of the entertainment industry's leading entertainers, directors and producers. We believe that

Table of Contents

our strong creative track record, our willingness to experiment with new shows and concepts, the strength and breadth of our distribution infrastructure, our solid financial foundation and our well-known media brands help attract and retain creative talent. Our motion picture library includes rights to some of the best loved and most successful films, including Titanic, The Godfather trilogy, the Indiana Jones films, Forrest Gump and Braveheart. Following our sale of most of the DreamWorks live-action library, we retain distribution rights to these films for at least a five-year period, including Gladiator, American Beauty, War of the Worlds and Saving Private Ryan.

As a result of our creative output in television and in motion pictures, we have assembled a library with significant future revenue potential. Our library consists of over 1,000 motion picture titles, approximately 18,000 hours of television programming and varying rights for approximately 2,500 additional motion picture titles. Our library also contains titles that have not yet been fully exploited in the DVD or other digital media formats.

A secure distribution platform and a strong track record of obtaining new carriage. Our cable programming services are made available to consumers in the United States and internationally through affiliation agreements with distributors that generally are long-term, have staggered expiration dates and provide for built-in rate increases and protected distribution. Eight of our cable programming services are distributed in over 75 million homes in the United States, and four of our other services currently reach more than 35 million homes in the United States. The majority of our networks are available on broadly distributed programming tiers. We believe that our strong relationships with our affiliates, the quality and popularity of our networks and our ability to create programming that is appealing to viewers have enabled us to renew existing affiliation agreements, to obtain new distribution for existing networks and to launch new networks.

An established and growing multiplatform presence. We program and operate over 100 websites, including broadband sites, which collectively attracted over 30 million unique visitors in July of 2006, giving us the second most-visited entertainment website portfolio on the Internet during that period. We have a total of 28 broadband channels (eight in the U.S. and 20 internationally) in live deployment. Our complete line-up of broadband channels – including MTV Overdrive, mtvU's Uber, VH1's VSpot, Comedy Central's Motherload, TurboNick, CMT's Loaded, Revolution in Latin America and MTV BoomBox in Korea – is expected to stream more than 1 billion videos by the end of 2006. We continue to launch integrated broadband channels and content, online communities, wireless applications and video-on-demand offerings across our properties in many countries around the world. We are building wireless services for the majority of our core brands and are partnering with carriers such as Virgin Mobile USA, Verizon Wireless, Sprint, China Mobile, and DoCoMo in Japan to deliver ringtones, text updates and video programming. On August 9, 2006, MTV Networks agreed to acquire Atom Entertainment, Inc., a portfolio of several online destinations for casual games, short films and animation. Also, in the second quarter of 2006, MTV Networks acquired Xfire, a leading online gaming communication and community platform. In the fourth quarter of 2005, MTV Networks acquired IFILM and GameTrailers.com, each of which provides entertainment content via websites. We also acquired Neopets, the owner and operator of Neopets.com, a leading online destination and community for kids and young adults. MTV Networks has various rights in various territories to create and distribute content for mobile devices. For example, in June 2005, we entered into a global licensing agreement with Warner Music Group to create and distribute short form video content for mobile devices. In May 2006, we unveiled a beta version of MTV Networks' new digital music service, Urge™, which offers rich editorial, hand-crafted programming and innovative tools to help consumers connect with their favorite artists and discover new ones. Also, MTV Networks' vast array of popular music, comedy and kids programming from its MTV, MTV2, Comedy Central and Nickelodeon brands is now available for download via Apple's iTunes Music Store and AOL's new video service.

An attractive financial profile. In the six months ended June 30, 2006, we derived 37% of our revenues from advertising, 34% from feature film, 19% from affiliate fees, and 10% from ancillary revenues. In 2005, we derived 41% of our revenues from advertising, 30% from feature film, 19% from affiliate fees, and 10% from ancillary revenues. We have a large worldwide consumer products

---

licensing business. Basic cable programming services receive revenue from both advertising and affiliate fees, which increases the predictability of these revenues. Further, many of our services, particularly our cable programming services, develop programming through in-house capabilities, resulting in lower overall production costs.

An experienced management team with a proven creative and financial track record. Our operations are led by a financially-disciplined management team that has the expertise and the vision to develop and successfully exploit its programming and other content. Our senior management has broad media experience and the senior management of our businesses consist of leaders in the media and entertainment industry, all of whom have established track records of success.

Business Strategy

Our mission is to be the leading global, consumer-focused, branded entertainment company, with the most respected, most successful and best-in-class brands that live across television, motion pictures and digital media platforms. Our success is linked to our operating principles, which set us apart from other companies. First, we are focused on consumers: we believe that if we can connect with our key consumers, then everything else in our business will follow naturally. Second, we have a brand-centric philosophy; in a fragmented media market, we believe that strong brands are increasingly the most reliable navigation tools for the consumer. We continuously evolve and revitalize our brands to strengthen their audience connection and competitive position. Third, we foster a creative culture and seek creative excellence. Our success in developing original content, from MTV Networks to BET Networks to Paramount Pictures, is a result of an institutional commitment to creativity. Finally, we also bring a global perspective to everything we do. We believe that we can deliver superior returns to stockholders by capitalizing on these strengths and deepening our relationships with advertisers, distribution affiliates, creative talent and licensees.

More specifically, we plan to:

Enhance our position as a leading global entertainment content company, with prominent and respected brands in focused demographics. Our brand-centric, multiplatform strategy and global footprint give us access to the highest growth areas of the advertising sector. Not only do we have a portfolio of brands that consumers demand, but we also have long-term deals with distributors that include built-in annual rate increases. We intend to continue investing in programming and new and existing brands to serve and grow our audiences, and expand our distribution and advertising revenue streams. In particular, we expect to target new demographic and interest groups and continue the development of existing services in order to retain and expand our audiences and the value of our brands. These initiatives will also continue to benefit from our core consumer research and creative strengths.

Enlarge our established global footprint. Our global footprint continues to expand. We were the first media company to reach the 100 channel milestone when we launched our first channel in Africa early in 2005. We believe our established position as a multichannel network operator in many regions of the world provides us with significant growth opportunities by acquiring other networks, broadening our platforms, and growing our consumer products business. We expect to use our knowledge and experience in local markets around the world and our worldwide scale to develop and acquire new programming services. We also expect to strengthen our international position by building our own organizations to distribute theatrical and television rights to motion pictures in important foreign markets and by strengthening distribution of home entertainment products internationally.

Expand our growing multiplatform business and monetize the growth trend in digital media. Our digital strategy mirrors our targeted demographic approach to cable and allows us to offer deeper and more engaging experiences around our areas of expertise and our target audiences. We believe media fragmentation plays to our strengths, and our intent is to take advantage of emerging technological and consumer trends by extending our brands and distributing our content into new forms of integrated digital distribution, such as broadband, wireless, online community,

Table of Contents

video-on-demand, high-definition programming and other businesses. We aim to achieve this through a combination of organic growth, investment in our existing and complementary businesses, strategic relationships, and focused acquisitions that fit with our current brands and core competencies. We believe our connection with our audiences, our marketing expertise and our ability to integrate new digital offerings and experiences on multiple platforms will support this expansion, which we expect to generate both increased revenue growth and stronger connections with our existing viewers. Our key television viewers are kids, teens and young adults, who are the early adopters and the heavy users and drivers of new media growth, and that is where we will continue to focus.

Successfully execute the turnaround of Paramount Pictures. We believe we have a significant opportunity to turn around Paramount Pictures and, with the acquisition of DreamWorks, have begun taking significant steps to do so. With a new management team in place at Paramount Pictures and key talent at DreamWorks, we intend to pursue projects more closely aligned with the tastes of target movie-going audiences and to take advantage of our significant marketing and creative capabilities. Our movies will benefit from the brand association demographics and marketing power of our over 120 worldwide cable networks. In addition, these networks provide access to up-and-coming talent as well as valuable consumer knowledge. Paramount Pictures intends to release films not only under the Paramount Pictures label and its specialty film arm (which is comprised of Paramount Vantage and Paramount Classics) but also under the DreamWorks label, and MTV, Nickelodeon and BET brands. We also plan to strengthen and upgrade our worldwide home entertainment operations, enhance our revenue opportunities by retaining a greater proportion of international rights for theatrically released films and begin the self-distribution of films theatrically in certain key international markets.

Build on our reputation as a great place to work. We have created and are committed to maintaining a diverse culture that attracts the best people, embraces original ideas, adapts quickly, promotes integrity, creativity and innovation, and values fun. We believe this diverse and creative culture will enable us to develop and to market equally diverse, creative and valuable television, motion picture and new media programming and will give us a significant strategic advantage, in the United States and around the world.

Table of Contents

Summary of the Exchange Offer

On June 16, 2006, we issued $750 million aggregate principal amount of unregistered floating rate senior notes due 2009. On April 12, 2006, we issued $1.5 billion aggregate principal amount of unregistered 5.75% senior notes due 2011, $1.5 billion aggregate principal amount of unregistered 6.25% senior notes due 2016 and $1.75 billion aggregate principal amount of unregistered 6.875% senior debentures due 2036. On each of June 16, 2006 and April 12, 2006, we and the initial purchasers of the unregistered senior notes and debentures entered into registration rights agreements in connection with such debt offerings in which we agreed that you, as a holder of unregistered senior notes and debentures, would be entitled to exchange your unregistered senior notes and debentures for exchange senior notes and debentures registered under the Securities Act but otherwise having substantially identical terms to the respective unregistered senior notes and debentures. This exchange offer is intended to satisfy these rights. After the exchange offer is completed, you will no longer be entitled to any registration rights with respect to your senior notes and debentures. The exchange senior notes and debentures will be our obligations and will be entitled to the benefits of the base indenture and supplemental indentures relating to the unregistered senior notes and debentures. The form and terms of the exchange senior notes and debentures are identical in all material respects to the form and terms of the respective unregistered senior notes and debentures, except:

- the exchange senior notes and debentures will have been registered under the Securities Act, and therefore will contain no restrictive legends;
- the exchange senior notes and debentures will not have registration rights; and
- the exchange senior notes and debentures will not have rights to additional interest conditioned upon a registration default.

For additional information on the terms of the exchange offer, see ''The Exchange Offer.''

The Exchange Offer	We are offering to exchange $1,000 principal amount of: • floating rate senior notes due 2009 which have been registered under the Securities Act of 1933 for each $1,000 principal amount of our outstanding unregistered 2009 senior notes that were issued on June 16, 2006. As of the date of this prospectus, $750 million in aggregate principal amount of our unregistered 2009 senior notes are outstanding; • 5.75% senior notes due 2011 which have been registered under the Securities Act of 1933 for each $1,000 principal amount of our outstanding unregistered 2011 senior notes that were issued on April 12, 2006. As of the date of this prospectus, $1.5 billion in aggregate principal amount of our unregistered 2011 senior notes are outstanding; • 6.25% senior notes due 2016 which have been registered under the Securities Act of 1933 for each $1,000 principal amount of our outstanding unregistered 2016 senior notes that were issued on April 12, 2006. As of the date of this prospectus, $1.5 billion in aggregate principal amount of our unregistered 2016 senior notes are outstanding; and • 6.875% senior debentures due 2036 which have been registered under the Securities Act of 1933 for each

Table of Contents

	$1,000 principal amount of our outstanding unregistered 2036 senior debentures that were issued on April 12, 2006. As of the date of this prospectus, $1.75 billion in aggregate principal amount of our unregistered 2036 senior debentures are outstanding.
Expiration of Exchange Offer	The exchange offer will expire at 5:00 p.m., New York City time, on October 18, 2006, unless we decide to extend the expiration date.
Conditions of the Exchange Offer	We will not be required to accept for exchange any unregistered senior notes or debentures, and we may amend or terminate the exchange offer if any of the following conditions or events occurs: • the exchange offer, or the making of any exchange by a holder, violates applicable law or any applicable interpretation of the staff of the SEC; • any action or proceeding shall have been instituted or threatened with respect to the exchange offer which, in our judgment, would impair our ability to proceed with the exchange offer; and • any law, rule or regulation or applicable interpretation of the staff of the SEC has been issued or promulgated which, in our good faith determination, does not permit us to effect the exchange offer. We will give oral or written notice of any non-acceptance, amendment or termination to the registered holders of the unregistered senior notes and debentures as promptly as practicable. We reserve the right to waive any conditions of the exchange offer.
Resale of Exchange Senior Notes and Debentures	Based on interpretative letters of the SEC staff to third parties unrelated to us, we believe that you can resell and transfer the exchange senior notes and debentures you receive pursuant to this exchange offer, without compliance with the registration and prospectus delivery provisions of the Securities Act, provided that: • any exchange senior notes and debentures to be received by you will be acquired in the ordinary course of your business; • you are not engaged in, do not intend to engage in and have no arrangement or understanding with any person to participate in the distribution of the unregistered senior notes or debentures or exchange senior notes or debentures; • you are not an ‘‘affiliate’’ (as defined in Rule 405 under

the Securities Act) of Viacom or, if you are such