

Viacom Inc.
Form 10-Q
May 01, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2013

OR

.. **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____
Commission File Number 001-32686

VIACOM INC.

(Exact name of registrant as specified in its charter)

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DELAWARE
(State or other jurisdiction of
incorporation or organization)

20-3515052
(I.R.S. Employer
Identification Number)

1515 Broadway
New York, NY 10036
(212) 258-6000

(Address, including zip code, and telephone number,
including area code, of registrant's principal executive offices)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or such shorter period that the registrant was required to submit and post such files). Yes No

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

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

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

	Shares Outstanding
Class of Stock	as of April 15, 2013
Class A common stock, par value \$0.001 per share	51,151,254
Class B common stock, par value \$0.001 per share	433,765,748

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Table of Contents**PART I FINANCIAL INFORMATION****Item 1. Financial Statements.****VIACOM INC.****CONSOLIDATED STATEMENTS OF EARNINGS****(Unaudited)**

(in millions, except per share amounts)	Quarter Ended March 31,		Six Months Ended March 31,	
	2013	2012	2013	2012
Revenues	\$ 3,135	\$ 3,331	\$ 6,449	\$ 7,283
Expenses:				
Operating	1,539	1,645	3,302	3,830
Selling, general and administrative	689	695	1,386	1,384
Depreciation and amortization	60	59	117	121
Total expenses	2,288	2,399	4,805	5,335
Operating income	847	932	1,644	1,948
Interest expense, net	(110)	(103)	(220)	(208)
Equity in net earnings of investee companies	16	5	40	15
Loss on extinguishment of debt	-	(21)	-	(21)
Other items, net	(6)	(1)	1	(5)
Earnings from continuing operations before provision for income taxes	747	812	1,465	1,729
Provision for income taxes	(258)	(213)	(494)	(529)
Net earnings from continuing operations	489	599	971	1,200
Discontinued operations, net of tax	(3)	(3)	(6)	(382)
Net earnings (Viacom and noncontrolling interests)	486	596	965	818
Net earnings attributable to noncontrolling interests	(8)	(11)	(17)	(21)
Net earnings attributable to Viacom	\$ 478	\$ 585	\$ 948	\$ 797
Amounts attributable to Viacom:				
Net earnings from continuing operations	\$ 481	\$ 588	\$ 954	\$ 1,179
Discontinued operations, net of tax	(3)	(3)	(6)	(382)
Net earnings attributable to Viacom	\$ 478	\$ 585	\$ 948	\$ 797
Basic earnings per share attributable to Viacom:				
Continuing operations	\$ 0.98	\$ 1.09	\$ 1.92	\$ 2.17
Discontinued operations	(0.01)	-	(0.01)	(0.71)
Net earnings	\$ 0.97	\$ 1.09	\$ 1.91	\$ 1.46
Diluted earnings per share attributable to Viacom:				
Continuing operations	\$ 0.96	\$ 1.08	\$ 1.89	\$ 2.14
Discontinued operations	-	(0.01)	(0.01)	(0.69)

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Net earnings	\$ 0.96	\$ 1.07	\$ 1.88	\$ 1.45
Weighted average number of common shares outstanding:				
Basic	492.0	537.5	496.8	544.1
Diluted	500.3	544.4	504.7	550.8
Dividends declared per share of Class A and Class B common stock	\$ 0.275	\$ 0.25	\$ 0.55	\$ 0.50

See accompanying notes to Consolidated Financial Statements

Table of Contents**VIACOM INC.****CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME****(Unaudited)**

(in millions)	Quarter Ended March 31,		Six Months Ended March 31,	
	2013	2012	2013	2012
Net earnings (Viacom and noncontrolling interests)	\$ 486	\$ 596	\$ 965	\$ 818
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments	(46)	5	(64)	(38)
Defined benefit pension plans	2	3	16	5
Cash flow hedges	(1)	3	6	5
Available for sale securities	-	-	3	(1)
Other comprehensive income (loss) (Viacom and noncontrolling interests)	(45)	11	(39)	(29)
Comprehensive income	441	607	926	789
Less: Comprehensive income attributable to noncontrolling interests	8	11	15	21
Comprehensive income attributable to Viacom	\$ 433	\$ 596	\$ 911	\$ 768

See accompanying notes to Consolidated Financial Statements

Table of Contents**VIACOM INC.****CONSOLIDATED BALANCE SHEETS**

(in millions, except par value)	March 31, 2013 (Unaudited)	September 30, 2012
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,260	\$ 848
Receivables, net	2,545	2,533
Inventory, net	755	832
Deferred tax assets, net	47	68
Prepaid and other assets	687	572
Total current assets	5,294	4,853
Property and equipment, net	1,023	1,068