

VIACOM INC
Form 11-K
June 28, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549-1004

FORM 11-K

(Mark One)

Annual Report Pursuant to Section 15(d) of the Securities Exchange Act of 1934
For the year ended December 31, 2004 **Commission file number 001-09553**

OR

Transition Report Pursuant to Section 15(d) of the Securities Exchange Act of 1934
VIACOM 401(k) PLAN

(Full title of the plan)

VIACOM INC.

(Name of issuer of the securities held pursuant to the plan)

1515 Broadway
New York, New York 10036

(Address of principal executive offices)

VIACOM 401(k) PLAN
FINANCIAL STATEMENTS AND EXHIBIT
DECEMBER 31, 2004
INDEX

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Exhibit:

23.1 Consent of Independent Registered Public Accounting Firm

Report of Independent Registered Public Accounting Firm

To the Participants and Administrator of
The Viacom 401(k) Plan:

In our opinion, the accompanying statements of net assets available for benefits and the related statement of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the Viacom 401(k) Plan (the "Plan") at December 31, 2003 and December 31, 2004, and the changes in net assets available for benefits for the year ended December 31, 2004 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management. 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 the standards of the Public Company Accounting Oversight Board (United States). Those standards 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 our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets held at end of year is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ PRICEWATERHOUSECOOPERS LLP

New York, New York
June 17, 2005

VIACOM 401(k) PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

(In thousands)

| | At December 31, | |
|---|---------------------|---------------------|
| | 2004 | 2003 |
| Assets | | |
| Cash and cash equivalents | \$ 69 | \$ 3,371 |
| Investments: | | |
| Investments, at fair value | 811,533 | 792,214 |
| Investments in master trust investment accounts | 1,353,641 | 1,292,008 |
| Participant loans | 31,033 | 30,987 |
| Receivables: | | |
| Employee contributions | 1,222 | 1,919 |
| Employer contributions | 455 | 1,741 |
| Due from broker for securities sold, net | — | 482 |
| Investment income | 781 | 651 |
| Total assets | 2,198,734 | 2,123,373 |
| Liabilities | | |
| Accrued expenses and other liabilities | 494 | 394 |
| Due to broker for securities purchased, net | 247 | — |
| Net assets available for benefits | \$ 2,197,993 | \$ 2,122,979 |

The accompanying notes are an integral part of these financial statements.

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VIACOM 401(k) PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

(In thousands)

| | Year Ended December 31, 2004 |
|---|---------------------------------|
| Additions to net assets attributed to: | |
| Investment income: | |
| Dividends | \$ 8,309 |

| | |
|---|---------------------|
| Interest | 1,789 |
| Income from master trust investment accounts | 92,806 |
| Contributions: | |
| Employee | 124,725 |
| Employer | 42,235 |
| Rollover | 6,069 |
| Plan transfers and mergers (Note 1): | |
| Transfer from the Infinity Broadcasting Corporation Union | |
| Employees' 401(k) Plan | 924 |
| Total additions | 276,857 |
| Deductions from net assets attributed to: | |
| Benefits paid to participants | (155,489) |
| Net depreciation in fair value of investments | (44,397) |
| Plan expenses | (1,957) |
| Total deductions | (201,843) |
| Net increase | 75,014 |
| Net assets available for benefits, beginning of year | 2,122,979 |
| Net assets available for benefits, end of year | \$ 2,197,993 |

The accompanying notes are an integral part of these financial statements.

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VIACOM 401(k) PLAN

NOTES TO THE FINANCIAL STATEMENTS

(Tabular dollars in thousands)

NOTE 1 – PLAN DESCRIPTION

The following is a brief description of the Viacom 401(k) Plan (the "Plan") and is provided for general information only. Participants should refer to the Plan document for more complete information regarding the Plan.

The Plan, sponsored by Viacom Inc. (the "Company"), is a defined contribution plan offered on a voluntary basis to substantially all of the Company's employees.

Eligible full-time employees may become participants in the Plan following the attainment of age 21. Part-time, freelance or project-based employees are eligible to participate in the Plan upon attainment of age 21 and completion of one thousand hours of service within a consecutive twelve-month period. The Plan is subject to the provisions of the Internal Revenue Code of 1986, as amended, (the "Code") and the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and is administered by a retirement committee appointed by the Company's Board of Directors (the "Board").

Mellon Bank, N.A. (the "Trustee") is the trustee and custodian of the Plan. Certain Plan investments are shares of funds managed by the Trustee or companies affiliated with the Trustee and therefore qualify as a party-in-interest transaction. In addition, certain Plan investments are shares of the Company and therefore qualify as a party-in-interest transaction.

Plan Transfers and Mergers

In connection with plan transfers and mergers, participants' accounts are transferred to the same funds in which they had been invested.

Effective after the close of business on August 25, 2004, the assets and liabilities of the Infinity Broadcasting Corporation Union Employees' 401(k) Plan (the "Infinity Plan") merged into the Plan. At that date, all active participants in the Infinity Plan were eligible to participate in the Plan.

From time to time assets are transferred between the Plan and the Viacom Employee Savings Plan, another defined contribution plan sponsored by the Company.

Participant Accounts

Each participant's account is credited with the participant's contributions, the employer matching contributions and the participant's share of the Plan's gains or losses, net of certain plan expenses.

Plan participants have the option of investing their contributions or existing account balances among nineteen investment options. These investment options include master trust investment accounts ("Master Trust Investment Accounts" or "MTIAs"), commingled trust funds ("common collective trusts"), registered investment companies (mutual funds) and Viacom Inc. Class A and Class B Common Stock and Blockbuster Inc. Class A and Class B common stock. The Viacom Class A Common Stock Fund and the Blockbuster Inc. Class A and Class B common stock Funds are closed to all new contributions and transfers. Participants may also elect to open a self-directed brokerage account ("SDA"). Participants may not contribute directly to the SDA, but may transfer balances to the SDA from other investment funds except the INVESCO Stable Value Fund ("INVESCO Fund"). A participant may transfer up to 25% of his or her account balance (net of loans) to the SDA. The initial transfer to the SDA may not be less than \$2,500 and subsequent individual transfers may not be less than \$1,000.

Contributions

The Plan permits participants to contribute up to 15% of annual compensation on a before-tax, after-tax or combination basis, subject to the Code limitations set forth below. The level of employer

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VIACOM 401(k) PLAN

NOTES TO THE FINANCIAL STATEMENTS

(Tabular dollars in thousands)

matching contributions is entirely at the discretion of the Board for all participants in the Plan. Effective February 1, 2004, the Board continued to set the employer's matching contribution at 60% of the first 5% of eligible compensation for the following twelve-month period. This matching contribution is consistent with the Board's February 1, 2003 election for the matching contribution from February 2003 through January 2004.

Any employee who is immediately eligible to participate in the Plan is deemed to have authorized the Company to make before-tax contributions in the Plan in an amount equal to 5% of the employee's eligible compensation upon his

or her date of hire. Any such deemed authorization takes effect following the 60th day the employee becomes eligible to participate in the Plan. However, a deemed authorization does not take effect if, during the 60-day period, the employee elects not to participate in the Plan or to participate at a different contribution rate.

Employer matching contributions are initially invested entirely in Viacom Inc. Class B Common Stock. Fully vested participants can transfer employer matching contributions to any other investment fund offered under the Plan. Participant contributions and gains or losses thereon are participant directed. All participants who have attained age 50 before the close of the calendar year are eligible to make catch-up contributions. These contributions are not treated as matchable contributions. Catch-up contributions can be made if the eligible participants made the maximum contribution permitted under the Plan for a plan year. The limit for catch-up contributions is \$3,000 in 2004.

The Code limits the amount of annual participant contributions that can be made on a before-tax basis to \$13,000 for 2004. Total compensation considered under the Plan, based on Code limits, may not exceed \$205,000 for 2004. The Code also limits annual aggregate participant and employer contributions to the lesser of \$41,000 or 100% of compensation in 2004. All contributions made to the Plan on an annual basis may be further limited due to certain non-discrimination tests prescribed by the Code.

Vesting

Participants in the Plan are immediately vested in their own contributions and earnings thereon. Employer matching contributions vest at 20% per year of service, becoming fully vested after five years of service. Transition rules apply to participants of plans that were merged into the Plan. If participants terminate employment prior to being vested in their employer matching contributions, the non-vested portion of their account is forfeited and may be used to reduce future employer matching contributions and to pay administrative expenses. Forfeitures are recorded at the time vested benefits are distributed. Employer matching contributions of approximately \$805,000 and \$885,000 were forfeited in 2004 and 2003, respectively. The Company utilized forfeitures of approximately \$522,000 to pay administrative expenses during 2004. As of December 31, 2004 and 2003, the Company had forfeitures of approximately \$1,438,000 and \$695,000, respectively, available to be used as noted above.

Loans Outstanding

Participants may request a loan for up to the lesser of 50% of the participant's vested account balance or \$50,000, reduced by the highest outstanding balance of any Plan loan made to the participant during the twelve-month period ending on the day before the loan is made. The minimum loan available to a participant is \$500. The interest rate on participant loans is one percentage point above the annual prime commercial rate (as published in The Wall Street Journal) on the first day of the calendar month in which the loan is approved, with principal and interest payable not less than quarterly through payroll deductions. Only one loan may be outstanding at any time. Participants may elect repayment periods from 12 to 60 months commencing as soon as administratively possible following the distribution of the loan. The Plan allows participants to elect a repayment term of up to

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VIACOM 401(k) PLAN

NOTES TO THE FINANCIAL STATEMENTS
(Tabular dollars in thousands)

300 months for loans used for the acquisition of a principal residence. Repayments of loan principal and interest are allocated in accordance with the participants' then current investment elections.

The loans outstanding carry interest rates ranging from 4.01% to 12.00% as of December 31, 2004.

Distributions and Withdrawals

Earnings on both employee and employer contributions are not subject to income tax until they are distributed or withdrawn from the Plan.

Participants in the Plan, or their beneficiaries, may receive their vested account balances in a lump sum or in installments over a period of up to 20 years in the event of retirement, termination of employment, disability or death. Participants must receive a required minimum distribution upon attainment of age 70½ unless they are still employed.

Participants who have been in the Plan or affiliated plans at least five years may elect to withdraw up to 100% of their employer matching contribution account and earnings thereon, attributable to contributions made before September 1, 2001. Participants who have participated less than five years are limited to withdrawing vested employer matching contributions made at least two years prior to the withdrawal, including earnings thereon, attributable to contributions made before September 1, 2001. In addition, participants in the Plan may receive part or all of their after-tax and rollover contributions. Upon attainment of age 59½, participants may withdraw all or part of their before-tax contributions and earnings thereon. The Plan limits participants to two of the above withdrawal elections in each calendar year.

A participant may obtain a financial hardship withdrawal of the vested portion of employer matching contributions and before-tax contributions provided that the requirements for hardship are met and only to the extent required to relieve such financial hardship. There is no restriction on the number of hardship withdrawals permitted.

Plan Expenses

The fees for investment of Plan assets are charged to the Plan's investment funds. Certain administrative expenses, such as legal and accounting fees, may be paid by the Plan using forfeitures as described above or may be paid by the Company. Recordkeeping and trustee fees are paid from participant accounts and for 2004, \$1,812,000 was paid to the Trustee for such services.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accrual method of accounting is used for financial statement presentation.

Investment Valuation and Income Recognition

Short-term money market obligations are carried at amortized cost which approximates fair value due to the short-term maturity of these investments. Viacom Inc. Class A Common Stock and Class B Common Stock and Blockbuster class A and class B common stock are reported at fair value based on quoted market prices on national security exchanges. Investments in registered investment companies are reported at fair value based on quoted market prices representing the net asset value of the units held by the Plan. The fair value of investments in separate accounts is determined by the Trustee based upon the fair value of the underlying securities. The fair value of investments in commingled trust funds are determined by each fund's trustee based upon the fair value of the

VIACOM 401(k) PLAN

NOTES TO THE FINANCIAL STATEMENTS

(Tabular dollars in thousands)

underlying securities. Participant loans are recorded at cost, which approximates fair value. Cash and cash equivalents are valued at cost plus accrued interest, which approximates market value. Interest income is accrued as earned and dividend income is recorded on the ex-dividend date.

Interest in Master Trust Investment Accounts

The Company and certain affiliated companies entered into a master trust agreement (the "Master Trust") to invest the assets of the Plan as well as affiliated companies' plans. Pursuant to the Master Trust, the Trustee has created six MTIAs. Prior to June 2004 the MTIAs consisted of the INVESCO Fund, the Putnam Large Cap Growth Fund (the "Putnam Fund"), the Barclays Global Investors S&P 500 Index Fund, Mellon Bank EB SMAM Aggregate Bond Index Fund, Mellon Capital Tactical Asset Allocation Fund and The Boston Company Large Cap Value Fund. In June 2004, the Putnam Fund was replaced with the Wellington Growth Fund, a fund with investment objectives similar to the Putnam Fund. The Mellon Bank EB SMAM Aggregate Bond Index Fund, Mellon Capital Tactical Asset Allocation Fund and The Boston Company Large Cap Value Fund are each managed by a division or affiliate of the Trustee, a party-in-interest to the Plan. Each of these MTIAs is maintained exclusively for the Master Trust. Each participating plan has an undivided interest in the MTIAs.

The INVESCO Fund invests primarily in benefit-responsive synthetic and traditional guaranteed investment contracts and separate accounts. The fair value of a unit of participation in the INVESCO Fund is determined by the Trustee based on the contract value of the underlying investments, which represents the aggregate amount of deposits thereto, plus interest at the contract rate, less withdrawals. The fair value of a unit of participation in all other MTIAs is determined by the Trustee based on the quoted market prices of the underlying securities. Net investment assets and net earnings/losses on the MTIAs are allocated daily to the plans investing in the MTIAs based on each plan's proportionate interest. Income is allocated to participants based on their respective account balances.

Security Transactions

Purchases and sales of securities are recorded on the trade date. The average cost basis is used to determine gains or losses on security dispositions.

The Plan presents in the statement of changes in net assets available for benefits, the net appreciation (depreciation) in the fair value of its investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

Payment of Benefits

Benefits are recorded when paid.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan to make estimates and assumptions, such as those regarding fair value of

investments, 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 reported amounts of changes in net assets available for benefits during the reporting period. Actual results could differ from those estimates.

NOTE 3 – RISKS AND UNCERTAINTIES

The Plan provides for various investment options. Investment securities are exposed to various risks such as interest rate, market and credit. Due to the level of risk associated with certain

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VIACOM 401(k) PLAN

NOTES TO THE FINANCIAL STATEMENTS

(Tabular dollars in thousands)

investment securities and the level of uncertainty related to changes in the value of such securities, it is at least reasonably possible that changes in values in the near term could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

NOTE 4 – INVESTMENTS

Individual investments representing 5% or more of the Plan's net assets available for benefits are identified below:

| | At December 31, | |
|--|-----------------|------------|
| | 2004 | 2003 |
| Barclay's Global Investors S&P 500 Index Fund MTIA | \$ 479,722 | \$ 449,866 |
| INVESCO Fund MTIA | \$ 578,560 | \$ 574,495 |
| Putnam Fund MTIA | \$ — | \$ 142,204 |
| Viacom Inc. Class B Common Stock (a) | \$ 385,225 | \$ 455,931 |
| Wellington Growth Fund | \$ 152,005 | \$ — |

(a) Includes nonparticipant-directed investments (see Note 5).

The Viacom Inc. Class B Common Stock included nonparticipant-directed amounts of \$21,519,314 in 2004 and \$18,020,179 in 2003.

During the year ended December 31, 2004 the Plan's investments (including gains and losses on investments bought, sold and held during the year) appreciated (depreciated) as follows:

| | |
|-------------------|----------|
| Common stocks | \$ 1,062 |
| Commingled trusts | 10,183 |

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| | |
|--|-------------|
| Registered investment companies (mutual funds) | 26,891 |
| Viacom Inc. Class A and B Common Stock | (82,573) |
| Other | 40 |
| Net depreciation | \$ (44,397) |

NOTE 5 – NONPARTICIPANT-DIRECTED INVESTMENTS

Employer matching contributions are initially invested entirely in Viacom Inc. Class B Common Stock. Participants who are fully vested in their Company matching contributions may transfer these contributions out of the Viacom Stock Fund into any other investment option.

Information about the net assets of nonparticipant-directed investments are as follows:

| | At December 31, | |
|----------------------------------|-----------------|-----------|
| | 2004 | 2003 |
| Net Assets: | | |
| Viacom Inc. Class A Common Stock | \$ 75 | \$ 103 |
| Viacom Inc. Class B Common Stock | \$ 21,519 | \$ 18,020 |

The increase in non-participant directed investments primarily reflects additional employer matching contributions for participants not fully vested in the plan and earnings on these investments partially offset by the transfer of balances that became fully vested, forfeitures and changes in value of stocks during 2004.

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NOTES TO THE FINANCIAL STATEMENTS

(Tabular dollars in thousands)

NOTE 6 – INCOME TAX STATUS

The Internal Revenue Service issued a determination letter dated May 20, 2003, that the Plan continues to satisfy the requirements of Section 401(a) of the Code and that the trust thereunder is exempt from federal income taxes under the provisions of Section 501(a) of the Code. The Plan has been amended since receiving the determination letter. However, the amendments have not been significant in nature and the Plan administrator and the Plan's counsel believe that the Plan is designed and is currently being operated in compliance with the applicable provisions of the Code and as such does not require a new determination letter at this time.

NOTE 7 – TERMINATION PRIORITIES

Although the Company anticipates that the Plan will continue indefinitely, it reserves the right by action of its Board to amend or terminate the Plan provided that such action does not retroactively reduce earned participant benefits.

In the event of Plan termination, participants become fully vested. Upon termination, the Plan provides that the net assets of the Plan would be distributed to participants based on their respective account balances.

NOTE 8 – INVESTMENT IN MASTER TRUST INVESTMENT ACCOUNTS

The value of the Plan's interest in the total investments of each of the MTIAs at December 31, 2004 and 2003 was as follows:

| | December 31, | |
|---|--------------|---------|
| | 2004 | 2003 |
| Barclays Global Investors S&P 500 Index Fund | 81.48% | 79.61% |
| INVESCO Fund | 99.88% | 99.84% |
| Mellon Bank EB SMAM Aggregate Bond Index Fund | 93.54% | 90.03% |
| Mellon Capital Tactical Asset Allocation Fund | 99.99% | 100.00% |
| Putnam Fund | — | 99.53% |
| The Boston Company Large Cap Value Fund | 95.15% | 96.17% |
| Wellington Growth Fund | 80.07% | — |

See Note 2 for a description of the MTIAs.

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VIACOM 401(k) PLAN

NOTES TO THE FINANCIAL STATEMENTS

(Tabular dollars in thousands)

The following table presents the investments held by the MTIAs:

| | At December 31, | |
|---|-----------------|------------|
| | 2004 | 2003 |
| Barclays Global Investors S&P 500 Index Fund (a) | \$ 588,773 | \$ 565,116 |
| INVESCO Fund, at contract value | | |
| Synthetic investment contracts | 27,989 | 59,353 |
| Separate accounts | 537,893 | 501,286 |
| Guaranteed investment contracts | 2,611 | 7,531 |
| Registered investment companies | — | 1,370 |
| Common collective trust | 10,849 | 5,989 |
| Mellon Bank EB SMAM Aggregate Bond Index Fund (a) | 60,919 | 58,783 |
| Mellon Capital Tactical Asset Allocation Fund (a) | 4,350 | 1,993 |
| Putnam Fund, at fair value | | |
| Common stocks | — | 138,793 |

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| | | |
|---|--------------|--------------|
| Registered investment companies | — | 3,686 |
| Common collective trust | — | 448 |
| The Boston Company Large Cap Value Fund (a) | 86,303 | 73,380 |
| Wellington Growth Fund, at fair value | | |
| Common Stocks | 188,276 | — |
| Common collective trust | 2,300 | — |
| Net investments held by the MTIAs | \$ 1,510,263 | \$ 1,417,728 |

(a) Invested entirely in commingled trust funds.
Investment income of the MTIAs was as follows:

| | Year Ended December 31, 2004 |
|--|---------------------------------------|
| Dividends | \$ 1,653 |
| Guaranteed investment contracts | 317 |
| Interest income | 49 |
| Net appreciation of commingled trust funds | 70,056 |
| Net appreciation of Wellington Growth Fund and the Putnam Fund | 9,844 |
| Separate accounts | 24,052 |
| Synthetic investment contracts | 2,030 |
| Investment manager fees | (1,607) |
| Net investment income | \$ 106,394 |

The guaranteed investment contracts and synthetic investment contracts are fully benefit- responsive and are valued at contract value. The Company does not expect any employer initiated events that may cause premature liquidation of a contract at market value. At December 31, 2004 and 2003, investments in the INVESCO Fund MTIA at contract value of \$579,341,362 and \$575,528,779, respectively, had fair values in the aggregate of \$592,055,638 and \$598,977,561, respectively. The average yield was approximately 4.8% for 2004 and crediting interest rates were approximately 4.1% at December 31, 2004 and 4.3% at December 31, 2003.

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VIACOM 401(k) PLAN

NOTES TO THE FINANCIAL STATEMENTS

(Tabular dollars in thousands)

A synthetic guaranteed investment contract provides for guaranteed returns on principal over a specified period of time through benefit responsive wrapper contracts issued by a third party which are backed by underlying assets. The wrapper contracts provide market and cash flow risk protection to the Plan and provide for the execution of participant initiated transactions in the Plan at contract value representing the amounts by which the value of contracts is greater

or less than the value of the underlying assets. Included in the contract value of the synthetic guaranteed investment contracts is \$1,239,487 and \$2,828,583 at December 31, 2004 and 2003, respectively, attributable to wrapper contract providers.

NOTE 9 – RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

| | At December 31, | |
|--|-----------------|--------------|
| | 2004 | 2003 |
| Net assets available for benefits per the financial statements | \$ 2,197,993 | \$ 2,122,979 |
| Amounts allocated to withdrawing participants | (735) | (293) |
| Net assets available for benefits per the Form 5500 | \$ 2,197,258 | \$ 2,122,686 |

The following is a reconciliation of benefits paid to participants as reflected in the financial statements to the Form 5500:

| | Year Ended December 31, 2004 |
|---|---------------------------------------|
| Benefits paid to participants per the financial statements | \$ 155,489 |
| Add: Amounts allocated to withdrawing participants at December 31, 2004 | 735 |
| Less: Amounts allocated to withdrawing participants at December 31, 2003 | (293) |
| Benefits paid to participants per the Form 5500 | \$ 155,931 |

Amounts allocated to withdrawing participants are recorded on the Form 5500 for benefit claims that have been processed and approved for payment prior to December 31, but were not paid as of that date.

NOTE 10 – SUBSEQUENT EVENT

Effective after the close of business on June 14, 2005, the Viacom Employee Savings Plan's assets and liabilities were merged into the Plan.

VIACOM 401 (k) PLAN
 SCHEDULE OF ASSETS HELD AT END OF YEAR
 DECEMBER 31, 2004
 (Dollars in thousands)

| Identity of issuer, borrower, lessor or similar party | Maturity and Interest Rates | Cost (a) | Current Value |
|--|--|-----------|------------------|
| <u>SELF DIRECTED ACCOUNTS</u> | | | \$ 23,744 |
| <u>CORPORATE STOCK-COMMON</u> | | | |
| BLOCKBUSTER CLASS A COMMON STOCK | | | 179 |
| BLOCKBUSTER CLASS B COMMON STOCK | | | 184 |
| * # VIACOM INC CLASS A COMMON STOCK | | | 6,696 |
| * VIACOM INC CLASS A COMMON STOCK – NONPARTICIPANT-DIRECTED | | \$ 32 | 75 |
| * # VIACOM INC CLASS B COMMON STOCK | | | 363,529 |
| * VIACOM INC CLASS B COMMON STOCK – NONPARTICIPANT-DIRECTED | | \$ 22,500 | 21,519 |
| TOTAL CORPORATE STOCK-COMMON | | | 392,182 |
| <u>REGISTERED INVESTMENT COMPANIES</u> | | | |
| VANGUARD LIFESTRATEGY MODERATE GROWTH FUND | | | 101,180 |
| # DFA U.S. SMALL CAP FUND | | | 89,458 |
| VANGUARD LIFESTRATEGY GROWTH FUND | | | 39,211 |
| # FIDELITY MID CAP STOCK FUND | | | 36,331 |
| # FIDELITY SELECT TECHNOLOGY FUND | | | 19,191 |
| VANGUARD LIFESTRATEGY CONSERVATIVE GROWTH FUND | | | 21,770 |
| VANGUARD CALVERT SOCIAL INDEX FUND | | | 4,447 |
| TOTAL REGISTERED INVESTMENT COMPANIES | | | 311,588 |
| <u>COMMINGLED TRUST FUNDS</u> | | | |
| * TBC INC. POOLED EMPLOYEE DAILY LIQUIDITY FUND | | | 764 |
| CAPITAL GUARDIAN INTL EQUITY FUND | | | 66,188 |
| CAPITAL GUARDIAN EMERGING MARKETS EQUITY FUND | | | 17,067 |
| TOTAL COMMINGLED TRUST FUNDS | | | 84,019 |
| LOANS TO PARTICIPANTS | Various maturities and interest rates ranging from 4.01% to 12.00% | | 31,033 |
| GRAND TOTAL | | | \$ 842,566 |

(a)Cost for nonparticipant-directed investments only

*Identified as a party-in-interest to the Plan.

#A portion of these assets are held in the self directed accounts

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the persons who administer the Plan have duly caused this annual report to be signed on its behalf by the undersigned, hereunto duly authorized.

VIACOM 401(k) PLAN

Date: June 17, 2005

By: /s/ BARBARA MICKOWSKI
Barbara Mickowski
Member of the Retirement Committee

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