SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 or 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 1995

Commission file number 1-9553

VIACOM INC.

(Exact name of registrant as specified in its charter)

Delaware	04-2949533
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer identification)
1515 Broadway, New York, New York	10036
(Address of principal executive offices)	(Zip code)

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

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 X No .

Number of shares of Common Stock Outstanding at July 31, 1995:

Class A Common Stock, par value $.01 per share - 74,797,590

Class B Common Stock, par value $.01 per share - 286,168,974

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

VIACOM INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited; all amounts, except per share amounts, are in millions)

	Three months ended June 30, 1995	Three months ended June 30, 1994
Revenues	$ 2,865.2	$ 1,612.6
Expenses:		
Operating	1,731.2	848.9
Selling, general and administrative	538.9	475.1
Depreciation and amortization	206.9	102.7
Total expenses	2,477.0	1,426.7
Earnings from continuing operations	388.2	185.9
Other income (expense):		
Interest expense, net	(206.3)	(102.7)
Other items, net (See Note 5)	(1.2)	268.0
Earnings from continuing operations before income taxes	180.7	351.2
Provision for income taxes	(112.4)	(91.8)
Equity in earnings (loss) of affiliated companies, net of tax	(16.0)	.2
Minority interest	.7	6.0
Net earnings from continuing operations	53.0	265.6
Loss from discontinued operations, net of tax (See Note 4)	--	(1.0)
Net earnings before extraordinary loss	53.0	264.6
Extraordinary loss (See Note 7)	--	(20.4)
Net earnings	53.0	244.2

Cumulative convertible preferred stock dividend requirement	(15.0)	(22.5)
Net earnings attributable to common stock	$ 38.0	$ 221.7
Weighted average number of common shares:		
Primary	386.1	143.5
Fully diluted	386.8	169.7
Primary earnings per common share:		
Net earnings from continuing operations	$ .10	$ 1.69
Net earnings	$ .10	$ 1.55
Fully diluted earnings per common share:		
Net earnings from continuing operations	$ .10	$ 1.57
Net earnings	$ .10	$ 1.44

See notes to consolidated financial statements.

VIACOM INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited; all amounts, except per share amounts, are in millions)

	Six months ended June 30, 1995	Six months ended June 30, 1994
Revenues	$ 5,560.8	$ 2,450.4
Expenses:		
Operating	3,433.0	1,638.3
Selling, general and administrative	1,016.9	772.1
Depreciation and amortization	387.6	160.9
Total expenses	4,837.5	2,571.3
Earnings (loss) from continuing operations	723.3	(120.9)
Other income (expense):		
Interest expense, net	(403.1)	(150.0)
Other items, net (See Note 5)	26.3	263.3
Earnings (loss) from continuing operations before income taxes	346.5	(7.6)
Provision for income taxes	(211.3)	(184.2)
Equity in earnings (loss) of affiliated companies, net of tax	(15.2)	3.7
Minority interest	(3.4)	18.3
Net earnings (loss) from continuing operations	116.6	(169.8)
Earnings from discontinued operations, net of tax (See Note 4)	7.6	2.8
Net earnings (loss) before extraordinary loss	124.2	(167.0)
Extraordinary loss (See Note 7)	--	(20.4)
Net earnings (loss)	124.2	(187.4)
Cumulative convertible preferred stock dividend requirement	(30.0)	(45.0)
Net earnings (loss) attributable to common stock	$ 94.2	$ (232.4)
Weighted average number of common shares:		
Primary	385.6	135.0
Fully diluted	386.2	135.0
Primary and fully diluted earnings (loss) per common share:		
Net earnings (loss) from continuing operations	$ .22	$ (1.59)
Net earnings (loss)	$ .24	$ (1.72)

See notes to consolidated financial statements.

VIACOM INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(Unaudited; all amounts, except per share amounts, are in millions)

	June 30, 1995	December 31, 1994
Assets		
Current Assets:		
Cash and cash equivalents	$ 435.0	$ 597.7
Receivables, less allowances of $103.5 (1995) and $75.8 (1994)	1,937.1	1,638.8
Inventory (See Note 8)	1,960.6	1,817.8
Other current assets	656.4	503.5
Net assets of discontinued operations (See Note 4)	--	697.4
Total current assets	4,989.1	5,255.2
Property and equipment, at cost	3,598.6	3,099.6
Less accumulated depreciation	648.5	516.5
Net property and equipment	2,950.1	2,583.1
Inventory (See Note 8)	2,119.7	1,944.5
Intangibles, at amortized cost	16,109.1	16,111.7
Other assets	2,655.2	2,379.2
	$28,823.2	$28,273.7
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts payable	$ 650.7	$ 770.9
Accrued interest	141.3	234.9
Accrued compensation	312.4	340.6
Participants' share, residuals and royalties payable	751.5	630.0
Other current liabilities	2,294.7	2,154.8
Total current liabilities	4,150.6	4,131.2
Long-term debt	10,661.7	10,402.4
Other liabilities	2,054.6	1,948.5
Commitments and contingencies (See Note 10)		
Shareholders' Equity:		
Preferred Stock, par value $.01 per share; 200.0 shares authorized; 24.0 shares issued and outstanding	1,200.0	1,200.0
Class A Common Stock, par value $.01 per share; 200.0 shares authorized; 74.7 (1995) and 74.6 (1994) shares issued and outstanding	.8	.7
Class B Common Stock, par value $.01 per share; 1,000.0 shares authorized; 285.5 (1995) and 284.1 (1994) shares issued and outstanding	2.8	2.8
Additional paid-in capital	10,644.8	10,579.5
Retained earnings	104.8	10.6
Cumulative translation adjustment	3.1	(2.0)
	11,956.3	11,791.6
	$28,823.2	$28,273.7

See notes to consolidated financial statements.

VIACOM INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited; all amounts are in millions)

	Six months ended June 30, 1995	1994
Net cash from operating activities:		
Net earnings (loss)	$ 124.2	$ (187.4)
Adjustments to reconcile net earnings to net cash flow from operating activities:		
Depreciation and amortization	387.6	167.1
Gain on the sale of an investment held at cost (See Note 5)	(26.9)	--
Merger-related charges (See Note 2)	--	332.1
Gain on sale of Lifetime, net of tax (See Note 5)	--	(164.4)
Extraordinary loss, net of tax (See Note 7)	--	20.4
Increase in receivables	(298.3)	(75.0)
Increase in inventory and related liabilities, net	(98.3)	(152.1)
Decrease in accounts payable and accrued expenses	(444.4)	(124.5)
Increase (decrease) in income taxes payable and deferred income taxes, net	1.5	(39.3)
(Increase) decrease in pre-publication costs, net	(46.1)	23.8
Increase in prepaid expenses and other current assets	(124.5)	(59.8)
(Increase) decrease in unbilled receivables	(61.0)	15.1
Other, net	(95.0)	(49.2)
Net cash flow from operating activities	(681.2)	(293.2)
Investing Activities:		
Proceeds from dispositions	1,127.1	317.6
Acquisitions, net of cash acquired	(291.4)	(6,291.0)
Capital expenditures	(368.0)	(123.0)
Investments in and advances to affiliated companies	(48.5)	(32.2)
Distributions from affiliated companies	42.4	25.1
Proceeds from sale of short-term investments	212.7	105.9
Payments for purchase of short-term investments	(227.4)	(56.3)
Other, net	(6.1)	(27.8)
Net cash flow from investing activities	440.8	(6,081.7)
Financing Activities:		
Short-term borrowings from (repayments to) banks, net	(927.4)	3,721.1
Proceeds from issuance of 7.75% Senior Notes	990.4	--
Proceeds from issuance of Class B Common Stock	--	1,250.0
Payment of Preferred Stock dividends	(30.0)	(35.3)
Proceeds from exercise of stock options	65.2	1.1
Deferred financing fees	(10.8)	(9.4)
Other, net	(9.7)	(21.1)
Net cash flow from financing activities	77.7	4,906.4
Net decrease in cash and cash equivalents	(162.7)	(1,468.5)
Cash and cash equivalents at beginning of the period	597.7	1,882.4
Cash and cash equivalents at end of period	$ 435.0	$ 413.9
Supplemental cash flow information:		
Cash payments for interest, net of amounts capitalized	$ 530.2	$ 153.2
Cash payments for income taxes	170.9	76.4
Property and equipment acquired under capitalized leases	222.3	--

See notes to consolidated financial statements.

1) BASIS OF PRESENTATION

Viacom Inc. (the "Company") is a diversified entertainment and publishing company with operations in five segments: (i) Networks and Broadcasting, (ii) Entertainment, (iii) Video and Music/Theme Parks, (iv) Publishing and (v) Cable Television. Paramount Communications Inc. and subsidiaries ("Paramount") and Blockbuster Entertainment Corporation and subsidiaries ("Blockbuster") results of operations are included in the Company's consolidated results of operations commencing March 1, 1994 and October 1, 1994, respectively. (See Note 2.)

The accompanying unaudited consolidated financial statements of the Company have been prepared pursuant to the rules of the Securities and Exchange Commission. These financial statements should be read in conjunction with the more detailed financial statements and notes thereto included in the Company's most recent annual report on Form 10-K.

The financial statements reflect, in the opinion of management, all normal recurring adjustments necessary to present fairly the financial position and results of operations of the Company. Certain previously reported amounts have been reclassified to conform with the current presentation.

Net earnings (loss) per common share -- Primary net earnings (loss) per common share is calculated based on the weighted average number of common shares outstanding during each period and, if dilutive, the effects of common shares potentially issuable in connection with variable common rights, contingent value rights, stock options and warrants. For the second quarter of 1994, fully diluted earnings per common share also reflects the effect of the assumed conversion of the Preferred Stock. For each of the other periods presented, the effect of the assumed conversion of the Preferred Stock is antidilutive and, therefore, is not reflected in fully diluted net earnings per common share.

2) PARAMOUNT MERGER, BLOCKBUSTER MERGER AND RELATED TRANSACTIONS

On March 11, 1994, the Company acquired a majority of the Paramount common stock outstanding at a price of $107 per share in cash. On July 7, 1994, Paramount became a wholly owned subsidiary of the Company (the "Paramount Merger") at the effective time of the merger between Paramount and a subsidiary of the Company. On January 3, 1995, Paramount was merged into Viacom International Inc. ("Viacom International"), a wholly owned subsidiary of the Company.

Results of operations for the six months ended June 30, 1994 include certain merger-related charges to the Company's pre-merger businesses reflecting the integration with similar Paramount units, and related management and strategic changes principally related to the merger with Paramount. The merger-related charges of $90.7 million for Networks and Broadcasting, and $224.0 million for Entertainment principally relate to adjustments of programming assets based upon new management strategies and additional programming sources resulting from the merger with Paramount, and also include a charge of $17.4 million to reflect the combination of Viacom International and Paramount staffs.

On September 29, 1994, Blockbuster was merged with and into the Company (the "Blockbuster Merger").

The unaudited condensed pro forma results of operations data for the six months ended June 30, 1994 presented below assumes that the (i) Paramount Merger, (ii) Blockbuster Merger, (iii) Paramount acquisition of the U.S. publishing assets of Macmillan Inc. (i, ii, and iii being referred to as the "Mergers"), (iv) sale of the one-third partnership interest in Lifetime and (v) sale of Madison Square Garden Corporation (see Note 4) occurred on January 1, 1994. The unaudited condensed pro forma results of operations data was prepared based upon the historical consolidated results of operations of the Company for the six months ended June 30, 1994, Paramount and Macmillan for the two months ended February 28, 1994, and Blockbuster for the six months ended June 30, 1994, adjusted to exclude the non-recurring merger-related charges of $332.1 million. Financial information for Paramount and Blockbuster subsequent to the dates of acquisition are included in the Company's historical information. The following unaudited pro forma information is not necessarily indicative of the combined results of operations of the Company, Paramount and Blockbuster that would have occurred if the completion of the transactions had occurred on the date previously indicated nor are they necessarily indicative of future operating results of the combined company (millions of dollars, except per share amounts):

Revenues	$ 4,443.0
Earnings from continuing operations..................	232.6
Net loss from continuing operations before preferred stock dividends..........................	(227.0)
Net loss attributable to common stock................	(257.0)
Loss per common share................................	$ (0.69)

3) SUBSEQUENT EVENTS

On August 10, 1995 the Company announced its intent to sell Spelling Entertainment Group Inc. ("Spelling"). The Company also announced its intent to acquire Spelling's interest in Virgin Interactive Entertainment Limited ("Virgin"). An independent committee of Spelling's Board of Directors will be formed to negotiate the terms of the Virgin transaction. The Company acquired Spelling as a part of the Blockbuster Merger.

On July 7, 1995, the contingent value rights ("CVRs"), which were issued in connection with the Paramount Merger, matured. The Company paid approximately $83 million in cash, or approximately $1.44 per CVR, to settle its obligation under the CVRs.

On July 25, 1995, the Company announced an agreement to spin-off its cable systems to its shareholders through a dutch-auction exchange offer. The exchange offer will allow shareholders to exchange shares of Viacom Inc. Class A and Class B Common Stock for shares of cumulative, redeemable exchangeable preferred stock of a subsidiary of Viacom that holds its cable systems. The Company also announced that it signed a definitive agreement with Tele-Communications, Inc. ("TCI") under which a subsidiary of TCI, through a capital contribution of $350 million in cash, will purchase all of the common shares of such subsidiary immediately following the spin-off. National Amusements, Inc., which owns approximately 26% of Viacom Inc. Class A and Class B Common Stock on a combined basis, will not participate in the exchange offer. The exchange offer and related transactions are subject to several conditions, including regulatory approvals, receipt of a tax ruling and consummation of the exchange offer. The Company expects, if the conditions are met, the transactions will close in the first quarter of 1996.

4) DISPOSITION

On March 10, 1995, the Company sold Madison Square Garden Corporation, which included the Madison Square Garden Arena, The Paramount theater, the New York Knickerbockers, the New York Rangers and the Madison Square Garden Network (collectively "MSG") to a joint venture of ITT Corporation and Cablevision Systems Corporation for closing proceeds of $1.009 billion, representing the sale price of approximately $1.075 billion, less approximately $66 million in working capital adjustments. The sale of MSG resulted in no after-tax book gain. Proceeds from the sale of MSG and other dispositions were used to repay notes payable to banks, of which approximately $600 million represents a permanent reduction of the Company's bank commitments. The Company had acquired MSG as a part of Paramount.

MSG has been accounted for as a discontinued operation and, accordingly, its operating results and net assets have been separately disclosed in the consolidated financial statements. Summarized results of operations and financial position data for MSG are as follows (in millions, except per share amounts):

	Six months ended June 30,		Three months ended June 30,
Results of operations:	1995	1994	1994
Revenues	$ 91.5	$156.5	$115.8
Earnings (loss) from operations before income taxes	12.7	4.7	(1.9)
Provision (benefit) for income taxes	5.1	1.9	(0.9)
Net earnings (loss)............................	7.6	2.8	(1.0)
Net earnings (loss) per common share	$.02	$.02	$(.01)

Financial position:	December 31, 1994
Current assets	$ 107.8
Net property, plant and equipment	312.9
Other assets	409.4
Total liabilities	(132.7)
Net assets of discontinued operations	$ 697.4

5) OTHER ITEMS, NET

For the six months ended June 30, 1995, "Other Items, net" primarily reflects a gain on the sale of an investment held at cost.

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

6) PROVISION FOR INCOME TAXES

The provision for income taxes represents federal, state and foreign income taxes on earnings before income taxes. The annual effective tax rates of 61% for 1995 and 74% for 1994 continue to be affected by amortization of acquisition costs in excess of amounts which are deductible for tax purposes.

Due to the unusual and non-recurring nature of the gain on the sale of the one-third partnership interest in Lifetime, the full income tax effect of the transaction was reflected in the second quarter of 1994, and was excluded from the annual effective tax rate.

7) EXTRAORDINARY LOSS

During 1994, the Company and its subsidiaries entered into an aggregate $6.8 billion credit agreement. The proceeds from the credit agreement were used to refinance the previously existing bank debt of the Company and Viacom International. The Company recognized an extraordinary loss from the extinguishment of debt of $20.4 million, net of a tax benefit of $11.9 million, or $.15 per share for the six months ended June 30, 1994.

8) INVENTORIES

Inventories consist of the following:

	June 30, 1995	December 31, 1994
	(In millions)	
Prerecorded music and video cassettes	$ 473.6	$ 509.2
Video cassette rental inventory	395.9	297.6
Publishing:		
Finished goods	301.3	218.9
Work in process	37.4	35.8
Material and supplies	49.7	27.1
Other	93.7	73.8
	1,351.6	1,162.4
Less current portion	921.0	830.9
	$ 430.6	$ 331.5
Theatrical and television inventory:		
Theatrical and television productions:		
Released	$1,537.4	$1,488.0
Completed, not released	56.5	12.8
In process and other	262.7	260.8
Program rights	872.1	838.3
	2,728.7	2,599.9
Less current portion	1,039.6	986.9
	$1,689.1	$1,613.0
Total non-current inventory	$2,119.7	$1,944.5

9) LONG-TERM DEBT

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

10) COMMITMENTS AND CONTINGENCIES

The commitments of the Company for program license fees which are not reflected in the balance sheet as of June 30, 1995, estimated to aggregate approximately $2.0 billion, principally reflect commitments under Showtime Networks Inc.'s ("SNI's") exclusive arrangements with several motion picture companies. This estimate is based upon a number of factors. A majority of such fees are payable over several years, as part of normal programming expenditures of SNI. These commitments are contingent upon delivery of motion pictures, which are not yet available for premium television exhibition and, in many cases, have not yet been produced.

11) CONDENSED CONSOLIDATING FINANCIAL STATEMENTS

Viacom International is a wholly owned subsidiary of the Company. The Company has fully and unconditionally guaranteed Viacom International debt securities. The Company has determined that separate financial statements and other disclosures concerning Viacom International are not material to investors. On January 3, 1995, Paramount Communications Inc. was merged into Viacom International and, therefore, Viacom International holds the assets of Paramount Communications Inc., subject to its liabilities including approximately $1.0 billion of issuances of long-term debt.

The following condensed consolidating financial statements as of and for the three months and six months ended June 30, 1995 present the results of operations, financial position and cash flows of Viacom (carrying investments in Viacom International under the equity method), Viacom International (carrying investments in non-guarantor affiliates under the equity method), and non-guarantor affiliates of Viacom, and the eliminations necessary to arrive at the information for the Company on a consolidated basis. Viacom International's statement of operations for the three months and six months ended June 30, 1994 and statement of cash flows for the six months ended June 30, 1994, and the condensed consolidating balance sheet of the Company as of December 31, 1994 as previously filed on Form 10-Q and Form 10-K, respectively, are incorporated by reference herein.

	Three Months Ended June 30, 1995				
	Viacom	Viacom International	Non-Guarantor Affiliates	Eliminations	The Company Consolidated
			(In millions)		
Revenues	$ 817.4	$ 221.8	$ 1,829.8	$ (3.8)	$ 2,865.2
Expenses:					
Operating	532.6	70.6	1,131.8	(3.8)	1,731.2
Selling, general and administrative	86.9	99.7	352.3	--	538.9
Depreciation and amortization	77.9	10.0	119.0	--	206.9
Total expenses	697.4	180.3	1,603.1	(3.8)	2,477.0
Earnings from continuing operations	120.0	41.5	226.7	--	388.2
Other income (expense):					
Interest expense, net	(176.9)	(23.6)	(5.8)	--	(206.3)
Other items, net	(.3)	(.2)	(.7)	--	(1.2)
Earnings (loss) from continuing operations before income taxes	(57.2)	17.7	220.2	--	180.7
Benefit (provision) for income taxes	1.4	(2.6)	(111.2)	--	(112.4)
Equity in earnings of affiliated companies, net of tax	108.1	113.2	21.6	(258.9)	(16.0)
Minority interest	.7	--	--	--	.7
Net earnings from continuing operations	53.0	128.3	130.6	(258.9)	53.0
Cumulative convertible preferred stock dividend requirement	(15.0)	--	--	--	(15.0)
Net earnings attributable to common stock	$ 38.0	$ 128.3	$ 130.6	$ (258.9)	$ 38.0

	Six Months Ended June 30, 1995				
	Viacom	Viacom International	Non-Guarantor Affiliates	Eliminations	The Company Consolidated
			(In millions)		
Revenues	$1,705.9	$ 418.1	$ 3,442.1	$ (5.3)	$ 5,560.8
Expenses:					
Operating	1,116.0	134.5	2,187.8	(5.3)	3,433.0
Selling, general and administrative	147.8	195.0	674.1	--	1,016.9
Depreciation and amortization	144.2	19.8	223.6	--	387.6
Total expenses	1,408.0	349.3	3,085.5	(5.3)	4,837.5
Earnings from continuing operations	297.9	68.8	356.6	--	723.3
Other income (expense):					
Interest expense, net	(344.8)	(46.4)	(11.9)	--	(403.1)
Other items, net	--	27.3	(1.0)	--	26.3
Earnings (loss) from continuing operations before income taxes	(46.9)	49.7	343.7	--	346.5
Provision for income taxes	(8.4)	(27.8)	(175.1)	--	(211.3)
Equity in earnings of affiliated companies, net of tax	182.9	181.2	23.6	(402.9)	(15.2)
Minority interest	(3.4)	--	--	--	(3.4)
Net earnings from continuing operations	124.2	203.1	192.2	(402.9)	116.6
Earnings from discontinued operations, net of tax	--	--	7.6	--	7.6
Net earnings	124.2	203.1	199.8	(402.9)	124.2
Cumulative convertible preferred stock dividend requirement	(30.0)	--	--	--	(30.0)
Net earnings attributable to common stock	$ 94.2	$ 203.1	$ 199.8	$ (402.9)	$ 94.2

	June 30, 1995				
	Viacom	Viacom International	Non-Guarantor Affiliates	Elimination	The Company Consolidated
			(In millions)		
Assets					
Current Assets:					
Cash and cash equivalents	$ 132.5	$ 231.4	$ 71.1	$ --	$ 435.0
Receivables, less allowances	221.6	199.2	1,533.3	(17.0)	1,937.1
Inventory	650.5	98.2	1,211.9	--	1,960.6
Other current assets	102.6	116.8	500.0	(63.0)	656.4
Total current assets	1,107.2	645.6	3,316.3	(80.0)	4,989.1
Property and equipment	957.3	193.6	2,447.7	--	3,598.6
Less accumulated depreciation	80.5	32.6	535.4	--	648.5
Net property and equipment	876.8	161.0	1,912.3	--	2,950.1
Inventory	527.1	152.8	1,439.8	--	2,119.7
Intangibles, at amortized cost	6,876.3	578.7	8,654.1	--	16,109.1
Investments in consolidated subsidiaries	3,875.1	11,015.4	--	(14,890.5)	--
Other assets	1,165.6	370.1	1,593.1	(473.6)	2,655.2
	$ 14,428.1	$ 12,923.6	$ 16,915.6	$(15,444.1)	$ 28,823.2
Liabilities and Shareholders' Equity					
Current Liabilities:					
Accounts payable	$ 253.1	$ 13.0	$ 387.5	$ (2.9)	$ 650.7
Accrued interest	90.7	49.5	1.1		141.3
Accrued compensation	38.6	81.6	192.2		312.4
Participants' share, residuals and royalties payable	68.8	--	682.7		751.5
Other current liabilities	627.3	1,315.4	1,312.0	(960.0)	2,294.7
Total current liabilities	1,078.5	1,459.5	2,575.5	(962.9)	4,150.6
Long-term debt	8,755.1	1,544.4	542.6	(180.4)	10,661.7
Other liabilities	(8,100.0)	(1,004.8)	11,634.4	(475.0)	2,054.6
Shareholders' equity:					
Preferred Stock	1,200.0	--	--		1,200.0
Common Stock	3.6	335.1	722.9	(1,058.0)	3.6
Additional paid-in capital	10,644.8	9,664.5	1,162.4	(10,826.9)	10,644.8
Retained earnings	848.5	925.7	294.8	(1,964.2)	104.8
Cumulative translation adjustment	(2.4)	(.8)	(17.0)	23.3	3.1
Total shareholders' equity	12,694.5	10,924.5	2,163.1	(13,825.8)	11,956.3
	$ 14,428.1	$ 12,923.6	$ 16,915.6	$(15,444.1)	$ 28,823.2

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

	Six Months Ended June 30, 1995				
	Viacom	Viacom International	Non-Guarantor Affiliates	Elimination	The Company Consolidated
			(In millions)		
Net cash flow from operating activities	$ (633.5)	$ 83.4	$(169.7)	$ 38.6	$ (681.2)
Investing Activities:					
Proceeds from dispositions	--	1,036.1	91.0	--	1,127.1
Acquisitions, net of cash acquired	(123.7)	--	(167.7)	--	(291.4)
Capital expenditures	(178.8)	(49.3)	(139.9)	--	(368.0)
Investments in and advances to affiliated companies	--	(33.4)	(15.1)	--	(48.5)
Distributions from affiliated companies	--	--	42.4	--	42.4
Proceeds from sale of short-term investments	--	212.7	--	--	212.7
Payments for purchase of short-term investments	--	(227.4)	--	--	(227.4)
Other, net	9.5	--	(15.6)	--	(6.1)
Net cash flow from investing activities	(293.0)	938.7	(204.9)	--	440.8
Financing Activities:					
Short-term borrowings from (repayments to) banks, net	(931.4)	--	4.0	--	(927.4)
Proceeds from issuance of notes	990.4	--	--	--	990.4
Increase (decrease) in intercompany payables	840.0	(849.2)	47.8	(38.6)	--
Payment of Preferred Stock dividends	(30.0)	--	--	--	(30.0)
Proceeds from exercise of stock options	65.2	--	--	--	65.2
Deferred financing fees	(10.8)	--	--	--	(10.8)
Other, net	--	(4.9)	(4.8)	--	(9.7)
Net cash flow from financing activities	923.4	(854.1)	47.0	(38.6)	77.7
Net increase (decrease) in cash and cash equivalents	(3.1)	168.0	(327.6)	--	(162.7)
Cash and cash equivalents at beginning of period	135.6	63.4	398.7	--	597.7
Cash and cash equivalents at end of period	$ 132.5	$ 231.4	$ 71.1	$ --	$ 435.0

Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition.

Management's discussion and analysis of the combined results of operations and financial condition should be read in conjunction with the Consolidated Financial Statements and related Notes.

During 1994, the Company made two significant acquisitions. Where appropriate the Company has merged the operations of previously existing and acquired businesses. Comparisons of results of operations have been significantly affected by such acquisitions and merging of operations. On March 11, 1994, the Company acquired a majority of the Paramount common stock outstanding, at a price of $107 per share in cash. On July 7, 1994, Paramount became a wholly owned subsidiary of the Company at the effective time of the merger between Paramount and a subsidiary of the Company. On September 29, 1994, Blockbuster was merged with and into the Company. On January 3, 1995, Paramount was merged into Viacom International, a wholly owned subsidiary of the Company. Paramount's and Blockbuster's results of operations are included in the consolidated results of operations commencing March 1, 1994 and October 1, 1994, respectively.

The following tables set forth revenues; earnings (loss) from continuing operations before interest, taxes, depreciation and amortization ("EBITDA"); and earnings (loss) from continuing operations, by business segment, with the second quarter and six months ended June 30, 1994 presented on a pro forma basis (as described in Note 2 of Notes to Consolidated Financial Statements) and on a historical basis. The pro forma information is provided in addition to historical information solely to assist in the comparison of results of operations and is not necessarily indicative of the combined results of operations of Viacom, Paramount and Blockbuster that would have occurred if the completion of the Mergers and related transactions had occurred on January 1, 1994. The prior period historical segment presentation has been reclassified to conform to the current presentation.

	Three months ended June 30,		Percent	Three months ended
	1995	1994	Change	June 30, 1994
		Pro forma		Historical
Revenues		(Dollars in millions)		
Networks and Broadcasting	$ 528.0	$ 456.7	16%	$ 456.7
Entertainment	935.3	548.5	71	464.3
Video and Music/Theme Parks	813.9	721.0	13	129.0
Publishing	490.5	469.1	5	469.1
Cable Television	110.0	103.5	6	103.5
Intercompany	(12.5)	(10.1)	(24)	(10.0)
Total	$2,865.2	$2,288.7	25	$1,612.6
EBITDA:				
Networks and Broadcasting	$ 173.9	$ 135.2	29%	$ 135.3
Entertainment	148.1	79.6	86	55.9
Video and Music/Theme Parks	204.7	150.8	36	25.1
Publishing	57.1	56.6	1	56.6
Cable Television	45.0	40.8	10	40.8
Corporate	(33.7)	(25.0)	(35)	(25.2)
Total	$ 595.1	$ 438.0	36	$ 288.5
Earnings (loss) from continuing operations:				
Networks and Broadcasting	$ 146.2	$ 110.7	32%	$ 111.6
Entertainment	115.1	50.8	127	38.0
Video and Music/Theme Parks	117.0	69.3	69	11.3
Publishing	20.7	24.0	(14)	30.6
Cable Television	24.6	21.4	15	21.4
Corporate	(35.4)	(26.8)	(32)	(27.0)
Total	$ 388.2	$ 249.4	56	$ 185.9

	Six months ended June 30, 1995	Six months ended June 30, 1994 Pro forma	Percent Change	Six months ended June 30, 1994 Historical
		(Dollars in millions)		
Revenues:				
Networks and Broadcasting	$ 985.2	$ 866.3	14%	$ 835.4
Entertainment	2,006.9	1,210.3	66	693.6
Video and Music/Theme Parks	1,508.8	1,344.6	12	136.4
Publishing	865.5	840.3	3	599.2
Cable Television	216.0	204.2	6	204.2
Intercompany	(21.6)	(22.7)	5	(18.4)
Total	$5,560.8	$4,443.0	25	$2,450.4
EBITDA:				
Networks and Broadcasting	$ 299.5	$ 239.2	25%	$ 143.6
Entertainment	337.9	55.8	506	(191.8)
Video and Music/Theme Parks	409.9	280.1	46	24.2
Publishing	46.8	7.5	524	49.5
Cable Television	87.3	81.0	8	81.0
Corporate	(70.5)	(59.0)	(19)	(66.5)
Total	$1,110.9	$ 604.6	84	$ 40.0
Earnings (loss) from continuing operations:				
Networks and Broadcasting	$ 246.7	$ 190.4	30%	$ 100.5
Entertainment	270.2	(7.8)	N/M	(219.5)
Video and Music/Theme Parks	258.8	126.3	105	8.9
Publishing	(25.7)	(56.6)	55	16.0
Cable Television	46.9	42.6	10	42.6
Corporate	(73.6)	(62.3)	(18)	(69.4)
Total	$ 723.3	$ 232.6	211	$ (120.9)

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

RESULTS OF OPERATIONS - SECOND QUARTER 1995 VERSUS SECOND QUARTER 1994

Revenues increased to $2.9 billion for the second quarter of 1995 from $1.6 billion for the second quarter of 1994. EBITDA increased to $595.1 million for the second quarter of 1995 from $288.5 million for the second quarter of 1994. Earnings from continuing operations increased to $388.2 million for the second quarter of 1995 from $185.9 million for the second quarter of 1994.

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

Revenues increased 25% to $2.9 billion for the second quarter of 1995 from pro forma revenues of $2.3 billion for the second quarter of 1994. EBITDA increased 36% to $595.1 million for the second quarter of 1995 from pro forma EBITDA of $438.0 million for the second quarter of 1994. Earnings from continuing operations increased 56% to $388.2 million for the second quarter of 1995 from pro forma earnings from operations of $249.4 million for the second quarter of 1994.

Segment Results of Operations - Historical 1995 versus Pro Forma 1994

Networks and Broadcasting (Basic Cable and Premium Television Networks, Television and Radio Stations)

The Networks and Broadcasting segment is comprised of MTV Networks ("MTVN"), SNI, television stations and radio stations. Revenues increased 16% to $528.0 million for the second quarter of 1995 from $456.7 million for the second quarter of 1994. EBITDA increased 29% to $173.9 million for the second quarter of 1995 from $135.2 million for the second quarter of 1994. Earnings from operations increased 32% to $146.2 million for the second quarter of 1995 from $110.7 million for the second quarter of 1994. The gains in results of operations stemmed from increased MTVN advertising revenues and increased operating results of the television stations and radio stations. MTVN revenues of $236.4 million, EBITDA of $94.2 million and earnings from operations of $81.9 million increased 19%, 20% and 20%, respectively. The increase in MTVN's revenues was principally attributable to higher advertising revenues due to rate increases. MTVN's EBITDA and earnings from operations gains were driven by the increased advertising revenues partially offset by higher operating costs, as well as aggregate losses of $4.8 million and $3.4 million for 1995 and 1994, respectively, associated with the development of MTV Latino, VH-1 UK, Nickelodeon Magazine and The Goods.

Entertainment (Motion pictures and television programming, movie theaters, and new media and interactive services)

The Entertainment segment is comprised of Paramount Pictures, Spelling Entertainment Group Inc. ("Spelling"), and the former Viacom Entertainment. Revenues increased 71% to $935.3 million for the second quarter of 1995 from $548.5 million for the second quarter of 1994. EBITDA increased 86% to $148.1 million for the second quarter of 1995 from $79.6 million for the second quarter of 1994. Earnings from operations increased 127% to $115.1 million for the second quarter of 1995 from $50.8 million for the second quarter of 1994. The higher results of operations are attributable to a number of factors, notably the strong home video and foreign box office performance of Paramount Pictures' Forrest Gump, the domestic release of Congo and Braveheart, as well as the sale of certain syndication rights of the Carsey Werner produced television shows to Carsey Werner.

Video and Music/Theme Parks

The Video and Music/Theme Parks segment is comprised of Blockbuster Video and Music, and Paramount Parks. Revenues increased 13% to $813.9 million for the second quarter of 1995 from $721.0 million for the second quarter of 1994. EBITDA increased 36% to $204.7 million for the second quarter of 1995 from $150.8 million for the second quarter of 1994. Earnings from operations increased 69% to $117.0 million for the second quarter of 1995 from $69.3 million for the second quarter of 1994. The gains in results of operations primarily reflect the increased number of domestic Company-owned video stores in operation in 1995 as compared to 1994, as well as modest increases in same-store sales, partially offset by increased overall operating and overhead expenses. Music stores revenues increased $4.7 million, EBITDA and earnings from operations decreased $8.7 million and $11.0 million, respectively, reflecting the highly competitive music retail environment. The Theme Parks are primarily open during the second and third quarters and therefore typically record the majority of revenues, EBITDA and earnings from operations during those periods. Theme Parks revenues increased $5.4 million, EBITDA increased $.3 million and earnings from operations decreased $1.0 million reflecting increased attendance partially offset by increased operating and depreciation expenses.

Publishing (Education; Consumer; and International, Business and Professional)

Revenues increased 5% to $490.5 million for the second quarter of 1995 from $469.1 million for the second quarter of 1994. EBITDA increased 1% to $57.1 million for the second quarter of 1995 from $56.6 million for the second quarter of 1994. Earnings from operations decreased 14% to $20.7 million for the second quarter of 1995 from $24.0 million for the second quarter of 1994. Results of operations primarily reflect increased Educational Group sales with the strongest improvements in the Elementary and Secondary groups due to increased adoption opportunities, partially offset by lower operating results for the Consumer group, reflecting a generally weaker mix of titles in 1995 as compared to 1994, and lower operating results of the Business and Professional Group due to increased operating and development costs partially offset by stronger sales.

Cable Television (Cable Television Systems)

Cable Television revenues increased 6% to $110.0 million for the second quarter of 1995 from $103.5 million for the second quarter of 1994, primarily attributable to increased primary and premium revenues. EBITDA increased 10% to $45.0 million for the second quarter of 1995 from $40.8 million for the second quarter of 1994. Earnings from operations increased 15% to $24.6 million for the second quarter of 1995 from $21.4 million for the second quarter of 1994. The increased results of operations reflect a 16% and 4% increase in average premium and primary customers, respectively, partially offset by an 8% decrease for the average premium rate. Average rates for primary customers increased slightly. Total revenues per primary customer per month increased 2% to $31.61 for the second quarter of 1995 from $30.94 for the second quarter of 1994.

On July 25, 1995, Viacom announced a multi-step transaction which, if completed, would result in the spin-off of its cable operations and their subsequent acquisition by Tele Communications, Inc (see Note 3 of Notes to Consolidated Financial Statements).

Other Income and Expense Information

Interest Expense, net
Net interest expense of $206.3 million for the second quarter of 1995 compared to $102.7 million for the second quarter of 1994 reflects increased average bank borrowings, the issuance of the 8% exchangeable subordinated debentures and 7.75% senior notes, and debt acquired as part of the Blockbuster Merger. The Company had approximately $10.7 billion and $7.2 billion principal amount of debt outstanding (including current maturities) as of June 30, 1995 and June 30, 1994, respectively, at weighted average interest rates of 7.7% and 6.2%, respectively.

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

Provision for Income Taxes
The provision for income taxes represents federal, state and foreign income taxes on earnings before income taxes. The annual effective tax rates of 61% for 1995 and 74% for 1994 continue to be affected by amortization of acquisition costs in excess of amounts which are deductible for tax purposes.

Due to the unusual and non-recurring nature of the gain on the sale of the one-third partnership interest in Lifetime, the full income tax effect of the transaction was reflected for the second quarter of 1994, and was excluded from the annual effective tax rate.

Equity In Earnings of Affiliates
"Equity in loss of affiliated companies, net of tax" was $16.0 million for the second quarter of 1995 as compared to "equity in earnings of affiliated companies, net of tax" of $.2 million for the second quarter of 1994, primarily reflecting an equity loss of $20.7 million related to the Company's 49.9% interest in Discovery Zone and net losses of equity investments established in 1995, partially offset by improved operating results of USA Networks.

Minority Interest
Minority interest primarily represents the minority ownership of Spelling common stock for 1995 and the minority ownership of Paramount's outstanding common stock for 1994.

Discontinued Operations
Discontinued operations reflects the results of operations of MSG which was sold March 10, 1995. The Company had acquired MSG during March 1994 as part of Paramount. (See Note 4 of Notes to Consolidated Financial Statements.)

Extraordinary Loss
During 1994, the Company and its subsidiaries entered into an aggregate $6.8 billion credit agreement. The proceeds from the credit agreement were used to refinance the previously existing bank debt of the Company and Viacom International. The Company recognized an extraordinary loss from the extinguishment of debt of $20.4 million, net of a tax benefit of $11.9 million.

RESULTS OF OPERATIONS - SIX MONTHS ENDED JUNE 30, 1995 VERSUS SIX MONTHS ENDED JUNE 30, 1994

Revenues increased to $5.6 billion for the six months ended June 30, 1995 from $2.5 billion for the six months ended June 30, 1994. EBITDA increased to $1.1 billion for the six months ended June 30, 1995 from $40.0 million for the six months ended June 30, 1994. Earnings from continuing operations increased to $723.3 million for the six months ended June 30, 1995 from a loss from continuing operations of $120.9 million for the six months ended June 30, 1994.

Revenues increased 25% to $5.6 billion for the six months ended June 30, 1995 from pro forma revenues of

$4.4 billion for the six months ended June 30, 1994. EBITDA increased 84% to $1.1 billion for the six months ended June 30, 1995 from pro forma EBITDA of $604.6 million for the six months ended June 30, 1994. Earnings from continuing operations increased 211% to $723.3 million for the six months ended June 30, 1995 from pro forma earnings from operations of $232.6 million for the six months ended June 30, 1994.

Segment Results of Operations - Historical 1995 versus Pro Forma 1994

Networks and Broadcasting (Basic Cable and Premium Television Networks, Television and Radio Stations)

Revenues increased 14% to $985.2 million for the six months ended June 30, 1995 from $866.3 million for the six months ended June 30, 1994. EBITDA increased 25% to $299.5 million for the six months ended June 30, 1995 from $239.2 million for the six months ended June 30, 1994. Earnings from operations increased 30% to $246.7 million for the six months ended June 30, 1995 from $190.4 million for the six months ended June 30, 1994. The gains in results of operations stemmed from increased MTVN advertising revenues and increases in operating results of the television stations and radio stations. MTVN revenues of $443.2 million, EBITDA of $172.2 million and earnings from operations of $148.8 million increased 19%, 21% and 20%, respectively. The increase in MTVN's revenues was principally attributable to higher advertising revenues due to rate increases. MTVN's EBITDA and earnings from operations gains were driven by the increased advertising revenues partially offset by higher operating costs, as well as aggregate losses of $10.4 million and $6.0 million for 1995 and 1994, respectively, associated with the development of MTV Latino, VH-1 UK, Nickelodeon Magazine and The Goods.

Entertainment (Motion pictures and television programming, movie theaters, and new media and interactive services)

Revenues increased 66% to $2.0 billion for the six months ended June 30, 1995 from $1.2 billion for the six months ended June 30, 1994. EBITDA increased 506% to $337.9 million for the six months ended June 30, 1995 from $55.8 million for the six months ended June 30, 1994. Earnings from operations increased to $270.2 million for the six months ended June 30, 1995 from a loss of $7.8 million for the six months ended June 30, 1994. The higher results of operations are attributable to a number of factors, notably the strong home video and foreign box office performance of Paramount Pictures' Forrest Gump, other generally stronger theatrical box office performers in 1995 as compared to 1994, as well as the sale of certain syndication rights of the Carsey Werner produced television shows to Carsey Werner. The Company also recognized approximately $250.0 million of revenues and $68.0 million of EBITDA and earnings from operations for the six months ended June 30, 1995 resulting from the conforming of accounting policies pertaining to the television programming libraries of Viacom Entertainment, Spelling and Paramount.

Video and Music/Theme Parks

Revenues increased 12% to $1.5 billion for the six months ended June 30, 1995 from $1.3 billion for the six months ended June 30, 1994. EBITDA increased 46% to $409.9 million for the six months ended June 30, 1995 from $280.1 million for the six months ended June 30, 1994. Earnings from operations increased 105% to $258.8 million for the six months ended June 30, 1995 from $126.3 million for the six months ended June 30, 1994. The gains in results of operations primarily reflect the increased number of domestic Company-owned video stores in operation in 1995 as compared to 1994, as well as modest increases in same-store sales, and slightly reduced operating and overhead expenses. Music stores revenues increased $7.2 million, EBITDA and earnings from operations decreased $14.0 million and $17.2 million, respectively, reflecting the highly competitive music retail environment. Theme Parks revenues increased $3.4 million, EBITDA remained constant and earnings from operations decreased $1.0 million reflecting increased attendance partially offset by increased operating and depreciation expenses.

Publishing (Education; Consumer; and International, Business and Professional)

Revenues increased 3% to $865.5 million for the six months ended June 30, 1995 from $840.3 million for the six months ended June 30, 1994. EBITDA improved 524% to $46.8 million for the six months ended June 30, 1995 from $7.5 million for the six months ended June 30, 1994. Loss from operations improved 55% to a loss of $25.7 million for the six months ended June 30, 1995 from a loss of $56.6 million for the six months ended June 30, 1994. Publishing typically has seasonally stronger operating results in the last three quarters of the year. Results of operations primarily reflect increased Educational Group sales with strongest improvements in the Elementary Group due to increased adoption opportunities and contributions from the Consumer Group front list titles at Pocket Books. EBITDA and the loss from operations for the six months ended June 30, 1994 reflects an aggregate charge of $32.8 million attributable to certain non-recurring transition costs and the pro forma results of operations of Macmillan for the two months prior to acquisition.

Cable Television (Cable Television Systems)

Cable Television revenues increased 6% to $216.0 million for the six months ended June 30, 1995 from $204.2 million for the six months ended June 30, 1994, primarily attributable to increased primary and premium revenues. EBITDA increased 8% to $87.3 million for the six months ended June 30, 1995 from $81.0 million for the six months ended June 30, 1994. Earnings from operations increased 10% to $46.9 million for the six months ended June 30, 1995 from $42.6 million for 1994. The increased results of operations reflect a 20% and 4% increase in average premium and primary customers, respectively, partially offset by an 11% decrease in the average premium rate. Average rates for primary customers remained constant. Total revenues per primary customer per month increased 2% to $31.19 for the six months ended June 30, 1995 from $30.71 for the six months ended June 30, 1994.

Other Income and Expense Information

Other Items, net
For 1995, "Other Items, net" primarily reflects a gain on the sale of an investment held at cost.

Interest Expense, net
Net interest expense of $403.1 million for the six months ended June 30, 1995 compared to $150.0 million for the six months ended June 30, 1994, reflects increased average bank borrowings, the issuance of the 8% exchangeable subordinated debentures and 7.75% senior notes, and debt acquired as part of the Mergers.

Equity In Earnings of Affiliates
"Equity in losses of affiliated companies, net of tax" was $15.2 million for the six months ended June 30, 1995 as compared to "equity in earnings of affiliated companies, net of tax" of $3.7 million for the six months ended June 30, 1994, primarily reflecting an equity loss of $20.7 million related to the Company's 49.9% interest in Discovery Zone, net losses of equity investments established in 1995, the absence of Lifetime's earnings due to the sale of the Company's one-third interest during April 1994, partially offset by improved operating results of USA Networks.

Liquidity and Capital Resources

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

The Company's scheduled maturities of notes payable to banks and debentures through December 31, 1999 assuming full utilization of the credit agreements are $1.5 billion (1996), $151 million (1997), $1.0 billion (1998) and $1.5 billion (1999).

The commitments of the Company for program license fees which are not reflected in the balance sheet as of June 30, 1995, estimated to aggregate approximately $2.0 billion, principally reflect commitments under SNI's exclusive arrangements with several motion picture companies. This estimate is based upon a number of factors. A majority of such fees are payable over several years, as part of normal programming expenditures of SNI. These commitments are contingent upon delivery of motion pictures, which are not yet available for premium television exhibition and, in many cases, have not yet been produced.

The Company expects to record the majority of its operating cash flows during the second half of the year due to the seasonality of the educational publishing business, the typical timing of major motion picture releases, the summer operation of Theme Parks, the positive effect of the holiday season on advertising revenues and video stores revenues, and the impact of the broadcasting television season on television production. Net cash flow from operating activities was negative $681.2 million for the six months ended June 30, 1995 versus negative $293.2 million for the six months ended June 30,1994. Such amounts are not comparable due to the Paramount Merger and Blockbuster Merger. The operating cash flow for the six months ended June 30, 1995, includes payments for a significant level of Blockbuster video product purchases typically made in the first quarter of the year. Net cash flows from investing activities of $440.8 million for the six months ended June 30, 1995 principally reflects proceeds from the sale of MSG, partially offset by capital expenditures and other acquisitions. Net cash expenditures for investing activities of $6.1 billion for the six months ended June 30,1994, principally reflects the acquisition of the majority of the shares outstanding of Paramount and capital expenditures, partially offset by proceeds from the sale of the Company's one-third partnership interest in Lifetime. Financing activities principally reflect borrowings and repayments of debt under the credit agreements during each period presented, in 1995 the issuance of the 7.75% Senior Notes and in 1994, the sale of Class B Common Stock to Blockbuster.

On July 7, 1995, the contingent value rights ("CVRs"), which were issued in connection with the Paramount Merger, matured. The Company paid approximately $83 million in cash, or approximately $1.44 per CVR, to settle its obligation under the CVRs during the third quarter of 1995.

Capital Structure

The following table sets forth the Company's long-term debt, net of current portion as of June 30, 1995 and December 31, 1994:

	June 30, 1995	December 31,1994
	(Millions of dollars)	
Notes payable to banks	$ 6,782.1	$ 7,709.4
Senior debt	1,933.7	943.0
Senior subordinated debt	634.9	633.1
Subordinated debt	944.0	938.6
Obligations under capital leases	345.1	127.5
Other debt	78.7	71.8
	10,718.5	10,423.4
Less current portion	56.8	21.0
	$10,661.7	$10,402.4

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

The Company and Viacom International were each in compliance with all covenants and had satisfied all financial ratios and tests as of June 30, 1995 under their respective credit agreements. The Company and Viacom International expect to remain in compliance with such covenant ratios as may be applicable from time to time during 1995.

Debt, including the current portion, as a percentage of total capitalization of the Company was 47% at June 30, 1995 and December 31, 1994.

The Company enters into interest rate exchange agreements with off-balance sheet risk in order to reduce its exposure to changes in interest rates on its variable rate long-term debt and/or take advantage of changes in interest rates. As of June 30, 1995, the Company and its subsidiaries had obtained interest rate protection agreements with respect to approximately $1.9 billion of indebtedness, of which $1.6 billion effectively change the Company's interest rate on variable rate borrowings to fixed interest rates and $250 million effectively change the Company's interest rate on fixed rate borrowings to variable interest rates. The majority of the interest rate protection agreements will mature over the next two years.

The Company filed a shelf registration statement with the Securities and Exchange Commission registering debt securities, preferred stock and contingent value rights of Viacom and guarantees of such debt securities by Viacom International which may be issued for aggregate gross proceeds of $3.0 billion.

The registration statement was declared effective on May 10, 1995. The net proceeds from the sale of the offered securities may be used by Viacom to repay, redeem, repurchase or satisfy its obligations in respect of its outstanding indebtedness or other securities; to make loans to its subsidiaries; for general corporate purposes; or for such other purposes as may be specified in the applicable Prospectus Supplement.

PART II -- OTHER INFORMATION

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

The Annual Meeting of Stockholders of Viacom Inc. was held on May 25, 1995. The following matters were voted upon at the meeting: (i) the election of 13 directors; (ii) the approval of amendments to the Viacom Inc. 1989 and 1994 Long-Term Management Incentive Plans; (iii) the approval of the Viacom Inc. 1994 Stock Option Plan for Outside Directors; and (iv) the approval of the appointment of Price Waterhouse LLP, as independent accountants of Viacom for 1995.

The entire board of directors was reelected and the number of shares cast for or to withhold authority for the election of each director were as follows:

Name	No. of Shares Voted for:	No. of Shares Voted to Withhold Authority:
George S. Abrams	71,112,105	95,135
Steven R. Berrard	71,128,728	78,512
Frank J. Biondi, Jr.	71,114,198	93,042
Philippe P. Dauman	71,116,148	91,092
William C. Ferguson	71,129,309	77,931
H. Wayne Huizenga	71,112,803	94,437
George D. Johnson, Jr.	71,115,443	91,797
Ken Miller	71,114,231	93,009
Brent D. Redstone	71,104,073	103,167
Shari Redstone	71,122,345	84,895
Sumner M. Redstone	71,106,004	101,236
Frederic V. Salerno	71,128,813	78,427
William Schwartz	71,127,378	79,862

The votes cast for, against or abstaining from the approval of amendments to the Viacom Inc. 1989 and 1994 Long-Term Management Incentive Plans were as follows:

Votes For:	Votes Against:	Abstentions:
70,645,622	503,877	57,741

The votes cast for, against or abstaining from the approval of the Viacom Inc. 1994 Stock Option Plan for Outside Directors were as follows:

Votes For:	Votes Against:	Abstentions:
69,769,173	779,516	658,551

The votes cast for, against or abstaining from the approval of the appointment of Price

Waterhouse LLP to act as independent accountants of Viacom Inc. for 1995 were as follows:

Votes For:	Votes Against:	Abstentions:
71,167,812	20,018	19,410

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits.

10.1 Amendment No. 1, dated as of May 15, 1995, to the $1.8 billion Credit Agreement, dated as of September 29, 1994, among Viacom Inc., each of the several Banks, The Bank of New York, as a Managing Agent and as the Documentation Agent, Citibank, N.A., as a Managing Agent and as the Administrative Agent, Morgan Guaranty Trust Company of New York, as a Managing Agent, JP Morgan Securities Inc., as the Syndication Agent, Bank of America NT&SA, as a Managing Agent, and the Banks identified as Agents on the signature pages thereof, as Agents.

10.2 Amendment No. 3, dated as of May 15, 1995, to the $6.489 billion Credit Agreement, dated as of July 1, 1994, as amended as of August 5, 1994 by Amendment No. 1 and as of September 29, 1994 by Amendment No. 2, among Viacom Inc., each of the several Banks, The Bank of New York, as a Managing Agent and as the Documentation Agent, Citibank, N.A., as a Managing Agent and as the Administrative Agent, Morgan Guaranty Trust Company of New York, as a Managing Agent, JP Morgan Securities Inc., as the Syndication Agent, Bank of America NT&SA, as a Managing Agent, the Banks identified as Agents on the signature pages thereof, as Agents, and the Banks identified as Co-Agents on the signature pages thereof, as Co-Agents; and Amendment No. 2, dated as of May 15, 1995, to the $311 million Credit Agreement, dated as of July 1, 1994, as amended as of August 5, 1994 by Amendment No. 1, among Viacom Cablevision of Dayton Inc., WNYT Inc., WMZQ Inc., WVIT Inc. and Viacom International Inc., each of the several Banks, The Bank of New York, as a Managing Agent and as the Documentation Agent, Citibank, N.A., as a Managing Agent and as the Administrative Agent, Morgan Guaranty Trust Company of New York, as a Managing Agent, JP Morgan Securities Inc., as the Syndication Agent, Bank of America NT&SA, as a Managing Agent, the Banks identified as Agents on the signature pages thereof, as Agents, and the Banks identified as Co-Agents on the signature pages thereof, as Co-Agents.

11 Statement re Computation of Net Earnings Per Share.

27 Financial Data Schedule.

99.1 Statement of Operations of Viacom International Inc. for the three months and six months ended June 30, 1994 (incorporated by reference to Item 1 of the Quarterly Report on Form 10-Q of Viacom International Inc. for the quarter ended June 30, 1994) (File No. 1-9554).

99.2 Statement of Cash Flows of Viacom International Inc. for the six months ended June 30, 1994 (incorporated by reference to Item 1 of the Quarterly Report on Form 10-Q of Viacom International Inc. for the quarter ended June 30, 1994) (File No. 1-9554).

99.3 Condensed Consolidating Balance Sheet of Viacom Inc. as of December 31, 1994 (incorporated by reference to Item 8 of the Annual Report on Form 10-K of Viacom Inc. for the fiscal year ended December 31, 1994) (File No. 1-9553).

(b) Reports on Form 8-K for Viacom Inc.

Current Report on Form 8-K of Viacom Inc. filed on April 13, 1995 relating to the filing of certain financial information in connection with the registration statements of Viacom Inc. or Viacom International Inc. filed under the Securities Act of 1933, as amended, including the Registration Statement on Form S-3 (Reg. No. 33-53485) of Viacom Inc. and Viacom International Inc.

Current Report on Form 8-K of Viacom Inc. filed on May 5, 1995 relating to the filing of certain financial information in connection with the registration statements of Viacom Inc. or Viacom International Inc. filed under the Securities Act of 1933, as amended, including the Registration Statement on Form S-3 (Reg. No. 33-53485) of Viacom Inc. and Viacom International Inc.

Current Report on Form 8-K of Viacom Inc. filed on May 25, 1995 relating to an underwriting agreement between Viacom Inc. and Viacom International Inc. and Bear, Stearns & Co. Inc., dated May 18, 1995, pursuant to which, on May 25, 1995, Viacom Inc. issued and sold $1 billion aggregate principal amount of Viacom Inc.'s 7.75% Senior Notes due 2005, unconditionally guaranteed as to payment of principal and interest by Viacom International Inc.

Current Report on Form 8-K of Viacom Inc. filed on June 29, 1995 relating to Viacom Inc.'s determination not to extend the July 7, 1995 maturity date on its Contingent Value Rights ("CVRs") and its election to pay in cash the value of the CVRs upon maturity on July 7, 1995 in accordance with the CVR's terms.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

VIACOM INC.

(Registrant)

Date	August 14, 1995	/s/ Frank J. Biondi, Jr. Frank J. Biondi, Jr. President, Chief Executive Officer
Date	August 14, 1995	/s/ George S. Smith, Jr. George S. Smith, Jr. Senior Vice President, Chief Financial Officer

Exhibit Index

10.1 Amendment No. 1, dated as of May 15, 1995, to the $1.8 billion Credit Agreement, dated as of September 29, 1994, among Viacom Inc., each of the several Banks, The Bank of New York, as a Managing Agent and as the Documentation Agent, Citibank, N.A., as a Managing Agent and as the Administrative Agent, Morgan Guaranty Trust Company of New York, as a Managing Agent, JP Morgan Securities Inc., as the Syndication Agent, Bank of America NT&SA, as a Managing Agent, and the Banks identified as Agents on the signature pages thereof, as Agents.

10.2 Amendment No. 3, dated as of May 15, 1995, to the $6.489 billion Credit Agreement, dated as of July 1, 1994, as amended as of August 5, 1994 by Amendment No. 1 and as of September 29, 1994 by Amendment No. 2, among Viacom Inc., each of the several Banks, The Bank of New York, as a Managing Agent and as the Documentation Agent, Citibank, N.A., as a Managing Agent and as the Administrative Agent, Morgan Guaranty Trust Company of New York, as a Managing Agent, JP Morgan Securities Inc., as the Syndication Agent, Bank of America NT&SA, as a Managing Agent, the Banks identified as Agents on the signature pages thereof, as Agents, and the Banks identified as Co-Agents on the signature pages thereof, as Co-Agents; and Amendment No. 2, dated as of May 15, 1995, to the $311 million Credit Agreement, dated as of July 1, 1994, as amended as of August 5, 1994 by Amendment No. 1, among Viacom Cablevision of Dayton Inc., WNYT Inc., WMZQ Inc., WVIT Inc. and Viacom International Inc., each of the several Banks, The Bank of New York, as a Managing Agent and as the Documentation Agent, Citibank, N.A., as a Managing Agent and as the Administrative Agent, Morgan Guaranty Trust Company of New York, as a Managing Agent, JP Morgan Securities Inc., as the Syndication Agent, Bank of America NT&SA, as a Managing Agent, the Banks identified as Agents on the signature pages thereof, as Agents, and the Banks identified as Co-Agents on the signature pages thereof, as Co-Agents.

11 Statement re Computation of Net Earnings Per Share.

27 Financial Data Schedule.

99.1 Statement of Operations of Viacom International Inc. for the three months and six months ended June 30, 1994 (incorporated by reference to Item 1 of the Quarterly Report on Form 10-Q of Viacom International Inc. for the quarter ended June 30, 1994) (File No. 1-9554).

99.2 Statement of Cash Flows of Viacom International Inc. for the six months ended June 30, 1994 (incorporated by reference to Item 1 of the Quarterly Report on Form 10-Q of Viacom International Inc. for the quarter ended June 30, 1994) (File No. 1-9554).

99.3 Condensed Consolidating Balance Sheet of Viacom Inc. as of December 31, 1994 (incorporated by reference to Item 8 of the Annual Report on Form 10-K of Viacom Inc. for the fiscal year ended December 31, 1994) (File No. 1-9553).

AMENDMENT NO. 1

AMENDMENT NO. 1, dated as of May 15, 1995 ("Amendment No. 1"), to the $1.8 BILLION CREDIT AGREEMENT, dated as of September 29, 1994 (the "Credit Agreement"), among VIACOM INC., a Delaware corporation ("Viacom"), each of the several Banks, THE BANK OF NEW YORK, as a Managing Agent and as the Documentation Agent, CITIBANK, N.A., as a Managing Agent and as the Administrative Agent, MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as a Managing Agent, JP MORGAN SECURITIES INC., as the Syndication Agent, BANK OF AMERICA NT&SA, as a Managing Agent, and the Banks identified as Agents on the signature pages thereof, as Agents.

W I T N E S S E T H:

WHEREAS, Viacom has requested certain amendments to be made to certain provisions of the Credit Agreement; and

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

NOW, THEREFORE, the parties hereto agree as follows:

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

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

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

and

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

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

(c) The definition of "Applicable Eurodollar Rate Margin" in Section 1.1 of the Credit Agreement is hereby

amended by deleting the proviso in its entirety and replacing it with the following:

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

(d) Section 3.4 (a) of the Credit Agreement is hereby amended by deleting the proviso in its entirety and replacing it with the following:

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

(e) Section 8.6 of the Credit Agreement is hereby amended by replacing it in its entirety with the following:

> "8.6. _Subsidiary Indebtedness_. The Borrower shall not permit any of its Subsidiaries, other than a Guarantor Subsidiary, to incur Indebtedness for borrowed money other than (a) the Subsidiary Loans (as defined in the July Agreements), (b) under existing facilities identified on Schedule 8.6 or any replacement facilities thereto which in the aggregate do not exceed the amounts of the commitments reflected on such Schedule and (c) Indebtedness for borrowed money in the total amount of $25 million for all Subsidiaries other than a Guarantor Subsidiary."

(f) Section 8.7 of the Credit Agreement is hereby amended by inserting the following after the words "Commercial Paper" in the parentheses:

> "and up to $500 million of Indebtedness with maturities of

no less than seven years from the date such Indebtedness is incurred".

SECTION 2. Effectiveness. This Amendment No. 1 will be effective upon the execution thereof by each of Viacom, the Guarantor Subsidiary and (i) except in the case of the amendments contained in Sections 1(c) and (d) hereof, the Majority Banks and (ii) in the case of the amendments contained in Sections 1(c) and (d) hereof, each of the Banks.

SECTION 3. Representations and Warranties. Each of the Borrower and the Guarantor Subsidiary hereby represents and warrants that as of the date hereof, both before and after giving effect to this Amendment No. 1, no Default or Event of Default shall exist or be continuing under the Credit Agreement.

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

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

(c) This Amendment No. 1 shall be a Loan Document for the purposes of the Credit Agreement.

(d) This Amendment No. 1 may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto were upon the same instrument. Delivery of an executed counterpart of a signature page of this Amendment No. 1 by telecopier shall be effective as delivery of a manually executed counterpart of this Amendment No. 1.

(e) THIS AMENDMENT NO. 1 AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 5. Guarantor Subsidiary Confirmation. By signing below, the Guarantor Subsidiary hereby agrees to the terms of the foregoing Amendment No. 1 and confirms that the VII Guarantee remains in full force and effect.

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

VIACOM INC., as Borrower

VIACOM INTERNATIONAL INC., as
a Subsidiary Guarantor

By: /s/ Vaughn A. Clark
Name: Vaughn A. Clark
Title: Senior Vice President,
Treasurer

Managing Agents

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

By: /s/ Geoffrey C. Brooks
Name: Geoffrey C. Brooks
Title: Vice President

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

By: /s/ Margaret C. Ullrich
Name: Margaret C. Ullrich
Title: Vice President

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

By: /s/ Mathias Blumschein
Name: Mathias Blumschein
Title: Associate

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

By:/s/ Amy S. Trapp

Name: Amy S. Trapp
Title: Vice President

Syndication Agent

JP MORGAN SECURITIES INC., as
the Syndication Agent

By: /s/ Barbara J. Asch

Name: Barbara J. Asch
Title:Vice President

Agents

BANK OF MONTREAL, as Agent and
a Bank

By: /s/ Yvonne Bos

Name: Yvonne Bos
Title:Managing Director

THE BANK OF NOVA SCOTIA, as
Agent and a Bank

By: /s/ Vince J. Fitzgerald

Name: Vince J. Fitzgerald
Title: Senior Relationship Mgr.

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

By: /s/ Charles Poer

Name: Charles Poer
Title: Vice President & Manager

BANQUE PARIBAS, as Agent and a
Bank

By: /s/ Nicole Cawley

Name: Nicole Cawley
Title:Vice President

By: /s/ Cynthia D. Hewitt

Name: Cynthia D. Hewitt
Title: Vice President

BARCLAYS BANK PLC, as Agent
and a Bank

By: /s/ Michael W. Ballard

Name: Michael W. Ballard
Title:Associate Director

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

By: /s/ Bruce Longenkamp

Name: Bruce Longenkamp
Title:Vice President

CHEMICAL BANK, as Agent and a Bank

By: /s/ Mary E. Cameron

Name: Mary E. Cameron
Title: Vice President

CREDIT LYONNAIS CAYMAN ISLAND BRANCH, as Agent and a Bank

By: /s/ M. Bernadette Collins

Name: M. Bernadette Collins
Title:Authorized Signature

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

By: /s/ Shinya Wako

Name: Shinya Wako
Title:Senior Vice President and Department Head

THE FUJI BANK, LIMITED, as Agent and a Bank

By: /s/ Kazuaki Kitabatake

Name: Kazuaki Kitabatake
Title:Joint General Manager

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

By: /s/ Jeffrey Cole

Name: Jeffrey Cole
Title:Senior Vice President

LTCB TRUST COMPANY, as Agent
and a Bank

By: /s/ John A. Krob

Name: John A. Krob
Title: Senior Vice President

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

By: /s/ G. Luis Ashley

Name: G. Luis Ashley
Title: First Vice President

THE MITSUBISHI BANK, LIMITED,
as Agent and a Bank

By: /s/ Paula Mueller

Name: Paula Mueller
Title: Vice President

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

By: /s/ Patricia Loret de Mola

Name: Patricia Loret de Mola
Title: Senior Vice President

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

By: /s/ Chad E. Coben

Name: Chad E. Coben
Title: Vice President

THE NIPPON CREDIT BANK, LTD.,
LOS ANGELES AGENCY, as Agent
and a Bank

By: /s/ Bernardo E. Correa-Henschke
Name: Bernardo E. Correa-Henschke
Title: Vice President and Manager

ROYAL BANK OF CANADA, as Agent
and a Bank

By: /s/ Eduardo Salazar
Name: Eduardo Salazar
Title: Senior Manager

THE SAKURA BANK, LIMITED, as
Agent and a Bank

By: /s/ Hiroshi Shimazaki
Name: Hiroshi Shimazaki
Title: Senior Vice President
and Manager

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

By: /s/ Dominic J. Sorresso
Name: Dominic J. Sorresso
Title:Vice President

SOCIETE GENERALE, as Agent and a
Bank

By: /s/ Pascale Hainline
Name: Pascale Hainline
Title:Vice President

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

By: /s/ Shuntaro Hisashi

Name: Shuntaro Hisashi
Title: Joint General Manager

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

By: /s/ Masaharu Muto

Name: Masaharu Muto
Title: Deputy General Manager

THE TORONTO-DOMINION BANK, as
Agent and a Bank

By: /s/ Neva Nesbitt

Name: Neva Nesbitt
Title:Manager Credit Admin.

UNION BANK, as Agent and a Bank

By: /s/ J. Kevin Sampson

Name: J. Kevin Sampson
Title:

UNION BANK OF SWITZERLAND, as
Agent and a Bank

By: /s/ James P. Kelleher

Name: James P. Kelleher
Title: Assistant Vice President

By: /s/ Peter B. Yearley

Name: Peter B. Yearley
Title: Vice President

CREDIT SUISSE, as Agent and a
Bank

By: /s/ Michael C. Mast

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

By: /s/ Kristina Catlin

Name: Kristina Catlin
Title: Associate

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

By: /s/ Steven M. Godeke

Name: Steven M. Godeke
Title: Vice President

By: /s/ Bina R. Dabbah

Name: Bina R. Dabbah
Title: Vice President

FIRST INTERSTATE BANK OF
WASHINGTON, N.A.

By:/s/ Susan Hendrixson

Name: Susan Hendrixson
Title: Vice President

Exhibit 10.2

AMENDMENT

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

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

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

W I T N E S S E T H:

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

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

NOW, THEREFORE, the parties hereto agree as follows:

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

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

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

and

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

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

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

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

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

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

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

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

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

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

(e) Each of Section 5.4 (a) of the Parent Facility and Section 3.4 (a) of the Subsidiary Facility is hereby amended by deleting the proviso in its entirety and replacing it with the following:

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

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

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

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

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

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

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

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

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

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

(c) This Amendment shall be a Loan Document for the purposes of the Parent Facility and the Subsidiary Facility.

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

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

SECTION 5. Guarantor Subsidiary Confirmation. By signing below, the Guarantor Subsidiary hereby agrees to the terms of the foregoing Amendment and confirms that the VII Guarantee remains in full force and effect.

SECTION 6. Viacom Inc. Confirmation. By signing below, Viacom Inc., as guarantor under the Parent Guarantee ("Parent Guarantor"), hereby agrees to the terms of the foregoing Amendment and confirms that the Parent Guarantee remains in full force and effect.

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

VIACOM INC., as Borrower and as
Parent Guarantor

By: /s/ Vaughn A. Clark
Name: Vaughn A. Clark
Title: Senior Vice President,
Treasurer

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

By: /s/ Vaughn A. Clark
Name: Vaughn A. Clark
Title: Senior Vice President,
Treasurer

On behalf of the following
Subsidiary Borrowers:

VIACOM CABLEVISION OF DAYTON INC.,

WNYT INC.,

WMZQ INC. and

WVIT INC.

By: /s/ Vaughn A. Clark
Name: Vaughn A. Clark
Title: Senior Vice President,
Treasurer

Managing Agents

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

By: /s/ Geoffrey C. Brooks

Name: Geoffrey C. Brooks
Title: Vice President

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

By: /s/ Margaret C. Ullrich

Name: Margaret C. Ullrich
Title: Vice President

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

By: /s/ Mathias Blumschein

Name: Mathias Blumschein
Title: Associate

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

By:/s/ Amy S. Trapp

Name: Amy S. Trapp
Title: Vice President

Agents

BANK OF MONTREAL, as Agent and a Bank

By: /s/ Yvonne Bos

Name: Yvonne Bos
Title:Managing Director

THE BANK OF NOVA SCOTIA, as Agent and a Bank

By: /s/ Vince J. Fitzgerald

Name: Vince J. Fitzgerald
Title: Senior Relationship Mgr.

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

By:/s/ Charles Poer

Name: Charles Poer
Title: Vice President & Manager

BARCLAYS BANK PLC, as Agent and a Bank

By: /s/ Michael W. Ballard

Name: Michael W. Ballard
Title:Associate Director

CANADIAN IMPERIAL BANK OF COMMERCE, as Agent and a Bank

By:/s/ John Tyler

Name: John Tyler
Title: Vice President

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

By: /s/ Bruce Longenkamp

Name: Bruce Longenkamp
Title:Vice President

CREDIT LYONNAIS CAYMAN ISLAND
BRANCH, as Agent and a Bank

By: /s/ M. Bernadette Collins

Name: M. Bernadette Collins
Title:Authorized Signature

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

By: /s/ Mary M. Barcus

Name: Mary M. Barcus
Title: Vice President

THE FUJI BANK, LIMITED, as Agent
and a Bank

By: /s/ Kazuaki Kitabatake

Name: Kazuaki Kitabatake
Title:Joint General Manager

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

By: /s/ Jeffrey Cole

Name: Jeffrey Cole
Title:Senior Vice President

LTCB TRUST COMPANY, as Agent and a Bank

By: /s/ John A. Krob

Name: John A. Krob
Title: Senior Vice President

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

By: /s/ G. Luis Ashley

Name: G. Luis Ashley
Title: First Vice President

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

By: /s/ Chad E. Coben

Name: Chad E. Coben
Title: Vice President

SOCIETE GENERALE, as Agent and a Bank

By: /s/ Pascale Hainline

Name: Pascale Hainline
Title:Vice President

THE TORONTO-DOMINION BANK, as Agent and a Bank

By: /s/ Neva Nesbitt

Name: Neva Nesbitt
Title:Manager Credit Admin.

UNION BANK, as Agent and a
Bank

By: /s/ J. Kevin Sampson

Name: J. Kevin Sampson
Title:

Co-Agents

CREDIT SUISSE, as Co-Agent and
a Bank

By: /s/ Michael C. Mast

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

By: /s/ Kristina Catlin

Name: Kristina Catlin
Title: Associate

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

By: /s/ Shinya Wako

Name: Shinya Wako
Title:Senior Vice President
and Department Head

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

By: /s/ Paula Mueller

Name: Paula Mueller
Title: Vice President

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

By: /s/ Patricia Loret de Mola

Name: Patricia Loret de Mola

Title: Senior Vice President

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

By: /s/ Eduardo Salazar

Name: Eduardo Salazar

Title: Senior Manager

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

By: /s/ Dominic J. Sorresso

Name: Dominic J. Sorresso

Title:Vice President

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

By: /s/ Shuntaro Hisashi

Name: Shuntaro Hisashi

Title: Joint General Manager

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

By: /s/ James P. Kelleher

Name: James P. Kelleher
Title: Assistant Vice President

By: /s/ Peter B. Yearley

Name: Peter B. Yearley
Title: Vice President

Syndication Agent

JP MORGAN SECURITIES INC., as
the Syndication Agent

By: /s/ Barbara J. Asch

Name: Barbara J. Asch
Title:Vice President

Lead Managers

CHEMICAL BANK, as Lead Manager
and a Bank

By: /s/ Mary E. Cameron

Name: Mary E. Cameron
Title: Vice President

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

By: /s/ Steven M. Godeke

Name: Steven M. Godeke
Title: Vice President

By: /s/ Bina R. Dabbah

Name: Bina R. Dabbah
Title: Vice President

Participants

THE SAKURA BANK, LIMITED

By: /s/ Hiroshi Shimazaki

Name: Hiroshi Shimazaki
Title: Senior Vice President
and Manager

COMPAGNIE FINANCIERE DE CIC ET
DE L'UNION EUROPEENNE, NEW YORK
BRANCH

By:/s/ Brian O'Leary/Marcus Edward

Name: Brian O'Leary/Marcus Edward
Title: Vice Presidents

PNC BANK N.A.

By: /s/ Karen M. Wolters

Name: Karen M. Wolters
Title: Vice President

FIRST INTERSTATE BANK OF
WASHINGTON, N.A.

By:/s/ Susan Hendrixson

Name: Susan Hendrixson
Title: Vice President

GULF INTERNATIONAL BANK

By:/s/ Abdel-Fattah Tahoun

Name: Abdel-Fattah Tahoun
Title: Senior Vice President

By:/s/ Haytham F. Khalil

Name: Haytham F. Khalil
Title: Assistant Vice President

THE TOKAI BANK, LIMITED, NEW
YORK BRANCH

By: /s/ Masaharu Muto

Name: Masaharu Muto
Title: Deputy General Manager

THE YASUDA TRUST AND BANKING
CO., LTD., NEW YORK BRANCH

By:/s/ Neil T. Chau

Name: Neil T. Chau
Title: First Vice President

BANK BRUSSELS LAMBERT, NEW YORK
BRANCH

By: /s/ Denise Isherwood

Name: Denise Isherwood
Title: Assistant Vice
President

By: /s/ Eric Hollanders

Name: Eric Hollanders
Title: Senior Vice President
Credit Department

BANQUE FRANCAISE DU COMMERCE
EXTERIEUR, NEW YORK BRANCH

By: /s/ Peter K. Harris

Name: Peter K. Harris
Title: Vice President

By: /s/ William Marer

Name: William Marer
Title: Vice President/Manager

DEN DANSKE BANK

By: /s/ George Wendell

Name: George Wendell
Title: Vice President

By: /s/ Mogens Sondergaard

Name: Mogens Sondergaard
Title: Vice President

FIRST UNION NATIONAL BANK OF
NORTH CAROLINA

By: /s/ William F. Laponte, III

Name: William F. Laponte, III
Title: Vice President

NIPPON CREDIT BANK, LTD., LOS
ANGELES AGENCY

By: /s/ Bernardo E. Correa-Henschke

Name: Bernardo E. Correa-Henschke
Title: Vice President and Manager

SHAWMUT BANK CONNECTICUT, N.A.

By: /s/ Robert F. West

Name: Robert F. West
Title: Director

VAN KAMPEN PRIME RATE INCOME TRUST

By: /s/ Jeffrey W. Maillet
Name: Jeffrey W. Maillet
Title: Vice President
& Portfolio Mgr.

FIRST HAWAIIAN BANK

By: /s/ William B. Schink
Name: William B. Schink
Title: Vice President

BAYERISCHE VEREINS BANK, A.G.

By: /s/ John Carlson
Name: John Carlson
Title: Vice President

By: /s/ Sylvia Cheng
Name: Sylvia Cheng
Title: Vice President

BANK OF HAWAII

By: /s/ J. Bryan Scearce
Name: J. Bryan Scearce
Title: Associate Vice President

THE SUMITOMO TRUST BANKING COMPANY, LTD.

By: /s/ Suraj P. Bhatia
Name: Suraj P. Bhatia
Title: Senior Vice President
Manager, Corp. Finance

Exhibit 11

Viacom Inc. and Subsidiaries
Computation of Net Earnings Per Share

(In millions, except per share amounts)

	Quarter ended June 30, 1995	Quarter ended June 30, 1994	Six months ended June 30, 1995	Six months ended June 30, 1994
Earnings:				
Net earnings from continuing operations	$ 53.0	$ 265.6	$ 116.6	$ (169.8)
Cumulative convertible preferred stock dividend requirement	(15.0)	(22.5)	(30.0)	(45.0)
Earnings from continuing operations attributable to common stock	38.0	243.1	86.6	(214.8)
Earnings from discontinued operations, net of tax	--	(1.0)	7.6	2.8
Extraordinary losses, net of tax	--	(20.4)	--	(20.4)
Net earnings attributable to common stock	$ 38.0	$ 221.7	$ 94.2	$ (232.4)
Primary Computation:				
Shares:				
Weighted average number of common shares	360.0	143.3	359.6	135.0
Common shares potentially issuable in connection with:				
Stock options and warrants (a)	8.6	.2	8.5	--
Contingent value rights	1.8	--	1.8	--
Variable common rights	15.7	--	15.7	--
Weighted average common shares and common share equivalents	386.1	143.5	385.6	135.0
Net earnings (loss) per common share:				
Net earnings (loss) from continuing operations	$ .10	$ 1.69	$ .22	$ (1.59)
Earnings from discontinued operations, net of tax	--	(.01)	.02	.02
Extraordinary losses, net of tax	--	(.13)	--	(.15)
Net earnings (loss)	$ .10	$ 1.55	$ .24	$ (1.72)
Fully Diluted Computation:				
Shares:				
Weighted average number of common shares outstanding	360.0	143.3	359.6	135.0
Common shares potentially issuable in connection with:				
Stock options and warrants (a)	9.3	.7	9.1	--
Preferred stock (b)	--	25.7	--	--
Contingent value rights	1.8	--	1.8	--
Variable common rights	15.7	--	15.7	--
Weighted average common shares and common share equivalents	386.8	169.7	386.2	135.0
Net earnings (loss) per common share:				
Net earnings (loss) from continuing operations				
Earnings from discontinued operations, net of tax	$ .10	$ 1.57	$ .22	$ (1.59)
Extraordinary losses, net of tax	--	(.01)	.02	.02
Net earnings (loss)	--	(.12)	--	(.15)
	$ .10	$ 1.44	$ .24	$ (1.72)

(a) The stock options and warrants had an antidilutive effect on net loss per share for the six months ended June 30, 1994, and therefore, were excluded from the primary and fully diluted earnings per share computations.

(b) The Preferred Stock and related dividend requirement had an antidilutive effect on earnings per share for the second quarter and six months ended June 30, 1995 and the six months ended June 30, 1994, and therefore, were excluded from the fully diluted earnings per share computation.

5
1,000,000

6-MOS
DEC-31-1995
JUN-30-1995
435
0
2,041
104
1,961
4,989
3,599
649
28,823
4,151
10,662
4
0
1,200
10,753
28,823
5,561
5,561
3,433
4,838
0
0
403
347
211
117
8
0
0
94
.22
.24