
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549-1004

FORM 11-K

(Mark One)

Annual Report Pursuant to Section 15(d) of the Securities Exchange Act of 1934

For the year ended December 31, 2003

Commission file number 001-09553

OR

Transition Report Pursuant to Section 15(d) of the Securities Exchange Act of 1934

VIACOM EMPLOYEE SAVINGS PLAN
(Full title of the plan)

VIACOM INC.

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

1515 Broadway
New York, New York 10036
(Address of principal executive offices)

VIACOM EMPLOYEE SAVINGS PLAN
FINANCIAL STATEMENTS AND EXHIBIT
DECEMBER 31, 2003

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Report of Independent Registered Public Accounting Firm

To the Participants and Administrator of
The Viacom Employee Savings Plan:

In our opinion, the accompanying statement of net assets available for benefits and the related statement of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the Viacom Employee Savings Plan (the "Plan") at December 31, 2003, and the changes in net assets available for benefits for the year ended December 31, 2003 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

/s/ PRICEWATERHOUSECOOPERS LLP

New York, New York
June 25, 2004

VIACOM EMPLOYEE SAVINGS PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

	At December 31, 2003
Assets	
Cash and cash equivalents	\$ 105
Investments:	
Investments, at fair value	1,066,231
Investments in master trust investment accounts	3,249,123
Receivables:	
Employee contributions	6,742
Investment income	162
Net assets available for benefits	\$ 4,322,363

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

VIACOM EMPLOYEE SAVINGS PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

	Year Ended December 31, 2003
Additions to net assets attributed to:	
Investment income:	
Dividends	\$ 13,071
Interest	7,350
Net appreciation in fair value of investments	79,426
Investment income from master trust investment accounts	637,210
Employee contributions	182,063
Plan Transfers (Note 1):	
Transfer from the Paramount Stations Group Inc. 401(k) Savings Plan for Collective Bargaining Unit Employees	4,007,821
Transfer from the Viacom 401(k) Plan	168,678
Total additions	5,095,619
Deductions from net assets attributed to:	
Benefits paid to participants	766,110
Plan expenses	7,146
Total deductions	773,256

Net increase	4,322,363
Net assets available for benefits, beginning of year	—
Net assets available for benefits, end of year	\$ 4,322,363

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

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VIACOM EMPLOYEE SAVINGS PLAN

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - PLAN DESCRIPTION

The following is a brief description of the Viacom Employee Savings Plan (the “Plan”) and is provided for general information only. Participants should refer to the Plan document for more complete information regarding the Plan.

Viacom Inc. (the “Company”) adopted the Plan effective January 1, 2003. The Plan is a defined contribution plan designed to provide certain employees of the Company a convenient way to save for their retirement.

Eligible full-time employees may become participants in the Plan following the attainment of age 21. Part-time employees are eligible to participate in the Plan on the first day of the month following the month which the employee reaches the age of 21 and completes one thousand hours of service within a consecutive twelve-month period. The Plan is subject to the provisions of the Internal Revenue Code of 1986, as amended, (the “Code”) and the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and is administered by a retirement committee appointed by the Company’s Board of Directors.

Plan Transfers

Effective January 1, 2003, the net assets of the Paramount Stations Group Inc. 401(k) Savings Plan for Collective Bargaining Unit Employees (the “PSG Plan”) were transferred into the Plan.

Effective January 1, 2003, the net assets attributable to employees who were (i) participants in the Viacom 401(k) Plan (the “Viacom Plan”), (ii) covered by a collective bargaining agreement and (iii) not entitled to receive Viacom Plan Employer Matching Contributions, were transferred to this Plan from the Viacom Plan.

In connection with the plan transfers, participants’ accounts were transferred to funds of the Plan considered to be of similar nature as determined by the Investments Committee.

Participant Accounts

Mellon Bank, N.A. (the “Trustee”) is the trustee and custodian of the Plan. Certain Plan investments are shares of funds managed by the Trustee or companies affiliated with the Trustee and therefore the Trustee is a party-in-interest.

Each participant’s account is credited with the participant’s contributions, the participant’s share of the net investment income, and any realized and unrealized gains or losses of the funds net of certain plan expenses.

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VIACOM EMPLOYEE SAVINGS PLAN

NOTES TO THE FINANCIAL STATEMENTS

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

Contributions

The Plan permits participants to contribute up to 15% of annual compensation on a before-tax and/or after-tax basis, subject to the Code limitations set forth below. Contributions to the Plan are made by means of payroll deductions for each payroll period. The Plan does not provide for employer matching contributions.

Any employee hired prior to June 1, 2003 who was immediately eligible to participate in the Plan was deemed to have authorized the Company to make before-tax contributions to the Plan in an amount equal to 3% of the employee’s eligible compensation. Any such deemed authorization took effect following the 45th day the employee became eligible to participate in the Plan. However, a deemed authorization did not take effect if, during the 45-day period, the employee elected not to participate in the Plan or to participate at a different contribution rate. For employees immediately eligible to participate in the Plan

who are hired on or after June 1, 2003, the Plan was amended effective June 1, 2003 to increase the deemed contribution rate to 5% of the employee's eligible compensation and the period in which the deemed authorization takes effect increased to 60 days.

All participants who have attained age 50 before the close of the calendar year are eligible to make catch-up contributions. Catch-up contributions can be made if the eligible participants made the maximum contribution permitted under the Plan for a plan year. The limit for catch-up contributions is \$2,000 in 2003.

The Code limits the amount of annual participant contributions that can be made on a before-tax basis to \$12,000 for 2003. Total compensation considered under the Plan, based on Code limits, may not exceed \$200,000 for 2003. The Code also limits annual aggregate participant contributions to the lesser of \$40,000 or 100% of compensation in 2003. All contributions made to the Plan on an annual basis may be further limited due to non-discrimination testing prescribed by the Code.

VIACOM EMPLOYEE SAVINGS PLAN
NOTES TO THE FINANCIAL STATEMENTS

Vesting

Participants are fully vested in their own contributions and earnings thereon.

Loans to Participants

Participants may request a loan for up to the lesser of 50% of the participant's vested account balance or \$50,000, reduced by the highest outstanding balance of any Plan loan made to the participant during the twelve-month period ending on the day before the loan is made. The minimum loan available to a participant is \$500. The interest rate on participant loans is 1% above the annual prime commercial rate (as published in the Wall Street Journal) on the first day of the calendar month in which the loan is approved, with principal and interest payable not less than quarterly through payroll deductions. Only one loan may be outstanding at any time. If a participant has one or more loans outstanding as a result of participation in the Viacom Plan or the PSG Plan, the participant may not obtain a loan from the Plan until the prior loans are repaid. Participants may elect repayment periods from twelve to sixty months commencing as soon as administratively possible following the distribution of the loan. The Plan allows participants to elect a repayment term of up to 300 months for loans used for the acquisition of a principal residence. Repayments of loan principal and interest are allocated in accordance with the participants' then current investment elections.

The loans outstanding carry interest rates ranging from 5.0% to 10.5% as of December 31, 2003.

Distributions and Withdrawals

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

Participants in the Plan may elect to withdraw part or all of their after-tax and rollover contributions and earnings thereon. Upon attainment of age 59½, participants may withdraw all or part of their before-tax contributions and earnings thereon. The Plan limits each participant to only two withdrawal elections in each calendar year with a minimum of \$500 per withdrawal.

A participant may obtain a financial hardship withdrawal of part or all of the value of the before-tax contributions, and earnings thereon, provided that the requirements for hardship are met and only to the extent required to relieve such financial hardship. There is no restriction on the number of hardship withdrawals permitted.

VIACOM EMPLOYEE SAVINGS PLAN
NOTES TO THE FINANCIAL STATEMENTS

Plan Expenses

The fees for investment of Plan assets are charged to the Plan's investment funds. Certain administrative expenses, such as legal and accounting fees, may be paid by the Plan using forfeitures that were transferred from prior plans or may be paid by the Company. Recordkeeping and trustees fees are paid from participant accounts.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Investment Valuation and Income Recognition

Short-term money market obligations are carried at cost which approximates fair value due to the short-term maturity of these investments.

Viacom Inc. Class A Common Stock and Class B Common Stock and investments in registered investment companies are reported at fair value based on quoted market prices on national security exchanges. The fair value of investments in separate accounts is determined by the Trustee based upon the fair value of the underlying securities. The fair value of investments in commingled trust funds are determined by each fund's trustee based upon the fair value of the underlying securities. Participant loans are recorded at cost, which approximates fair value. Cash and cash equivalents are valued at cost plus accrued interest, which approximates market value. Interest income is accrued as earned and dividend income is recorded on the ex-dividend date.

Interest in Master Trust Investment Accounts

The Company and certain affiliated companies entered into a master trust agreement (the "Master Trust") to invest the assets of the Plan as well as affiliated companies' plans. Pursuant to the Master Trust, the Trustee has created six MTIAs. Prior to March 1, 2003, the MTIAs consisted of the INVESCO Fund and the Putnam Large Cap Growth Fund (the "Putnam Fund"). During March 2003, four additional MTIAs were formed, the Barclays Global Investors S&P 500 Index Fund, Mellon Bank EB SMAM Aggregate Bond Index Fund, Mellon Capital Tactical Asset Allocation Fund and The Boston Company Large Cap Value Fund. The Mellon Bank EB SMAM Aggregate Bond Index Fund, Mellon Capital Tactical Asset Allocation Fund and The Boston Company Large Cap Value Fund are each managed by a division or affiliate of the Trustee, a party-in-interest to the Plan. Prior to forming the MTIAs, these investments were held by the plan as commingled trust funds. Each of these MTIAs is maintained exclusively for the Master Trust. Each participating plan has an undivided interest in the MTIAs.

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VIACOM EMPLOYEE SAVINGS PLAN

NOTES TO THE FINANCIAL STATEMENTS

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

Security Transactions

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

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

Payment of Benefits

Benefits are recorded when paid.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan to make estimates and assumptions, such as those regarding fair value, that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets available for benefits during the reporting period. Actual results could differ from those estimates.

NOTE 3 – RISKS AND UNCERTAINTIES

The Plan provides for various investment options. Investment securities are exposed to various risks such as interest rate, market and credit. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of such securities, it is at least reasonably possible that changes in risks in the near term could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

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VIACOM EMPLOYEE SAVINGS PLAN

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4 – INVESTMENTS

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

At December 31, 2003

Mellon Bank EB SMAM Aggregate Bond Index Fund MTIA	\$	310,227
Vanguard Lifestrategy Moderate Growth Fund	\$	455,995
INVESCO Stable Value Fund MTIA	\$	653,086
Barclays Global Investors S&P 500 Index Fund MTIA	\$	2,113,001

During the year ended December 31, 2003 the Plan's investments (including gains and losses on investments bought, sold and held during the year) appreciated (depreciated) as follows:

Registered investment companies (mutual funds)	\$	123,860
Commingled trusts		(58,822)
Viacom Inc. Class A and B Common Stock		14,388
Net appreciation	\$	79,426

NOTE 5 - INCOME TAX STATUS

The Company plans to file for a determination letter for the Plan in the near future. The Company believes that the Plan satisfies the qualification requirements of Section 401(a) and 501(a) of the Code and is therefore exempt from taxation.

NOTE 6 - TERMINATION PRIORITIES

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

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

VIACOM EMPLOYEE SAVINGS PLAN

NOTES TO THE FINANCIAL STATEMENTS

NOTE 7 - INVESTMENT IN MASTER TRUST INVESTMENT ACCOUNTS

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

	2003
INVESCO Stable Value Fund	.11%
Putnam Large Cap Growth Fund	.07%
Barclays Global Investors S&P 500 Index Fund	.37%
Mellon Bank EB SMAM Aggregate Bond Index Fund	.53%
The Boston Company Large Cap Value Fund	.09%
Mellon Capital Tactical Asset Allocation Fund	0%

See Note 2 for a description of the MTIAs.

The following table presents the investments held by the MTIAs:

	At December 31, 2003 (in thousands)
INVESCO Fund, at contract value	
Synthetic investment contracts	\$ 59,353
Separate accounts	501,286
Guaranteed investment contracts	7,531
Registered investment companies	1,370
Cash and cash equivalents	5,989
Putnam Fund, at fair value	
Common stocks	138,793
Registered investment companies	3,686
Cash and cash equivalents	448
Barclays Global Investors S&P 500 Index Fund (a)	565,116
Mellon Bank EB SMAM Aggregate Bond Index Fund (a)	58,783
The Boston Company Large Cap Value Fund (a)	73,380
Mellon Capital Tactical Asset Allocation Fund (a)	1,993
Net Investments held by the MTIAs	\$ 1,417,728

(a) Invested entirely in commingled trust funds.

VIACOM EMPLOYEE SAVINGS PLAN

NOTES TO THE FINANCIAL STATEMENTS

Investment income of the MTIAs was as follows:

December 31, 2003
(in thousands)

Synthetic investment contracts	\$	8,149
Separate accounts		17,414
Guaranteed investment contracts		874
Interest income		147
Dividends		1,535
Net appreciation of Putnam Fund		28,423
Net appreciation of commingled trust funds		150,680
Investment manager fees		(1,356)
Net investment income	\$	205,866

The guaranteed investment contracts and synthetic investment contracts are fully benefit-responsive and are valued at contract value. The Company does not expect any employer initiated events that may cause premature liquidation of a contract at market value. At December 31, 2003 investments in the INVESCO Stable Value Fund MTIA at contract value of \$575,528,779 had a fair value in the aggregate of \$598,977,561. For 2003, the average yield was approximately 4.8% and the crediting interest rate was approximately 4.3% at December 31, 2003.

NOTE 8 - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

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

	At December 31, 2003	
Net assets available for benefits per the financial statements	\$	4,322,363
Amounts allocated to withdrawing participants		(77,000)
Net assets available for benefits per the Form 5500	\$	4,245,363

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VIACOM EMPLOYEE SAVINGS PLAN

NOTES TO THE FINANCIAL STATEMENTS

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

	Year Ended December 31, 2003	
Benefits paid to participants per the financial statements	\$	766,110
Add: Amounts allocated to withdrawing participants at December 31, 2003		77,000
Benefits paid to participants per the Form 5500	\$	843,110

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

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SCHEDULE H, LINE 4i

VIACOM EMPLOYEE SAVINGS PLAN SCHEDULE OF ASSETS HELD AT END OF YEAR DECEMBER 31, 2003

Identity of issuer, borrower, lessor or similar party	Maturity and Interest Rates	Current Value
CORPORATE STOCK-COMMON		
* VIACOM INC CLASS A COMMOM STOCK		\$ 13,237
* VIACOM INC CLASS B COMMOM STOCK		107,622
TOTAL CORPORATE COMMON STOCK		120,859
REGISTERED INVESTMENT COMPANIES		
DFA U.S. SMALL CAP FUND		25,458
FIDELITY MID CAP STOCK FUND		7,493
FIDELITY SELECT TECHNOLOGY FUND		2,455
MFS NEW DISCOVERY FUND, CLASS A		13,660
VANGUARD LIFESTRATEGY CONSERVATIVE GROWTH FUND		2,898
VANGUARD LIFESTRATEGY MODERATE GROWTH FUND		455,995
VANGUARD LIFESTRATEGY GROWTH FUND		162,431
VANGUARD CALVERT SOCIAL INDEX FUND		496
TOTAL REGISTERED INVESTMENT COMPANIES		670,886

<u>COMMINGLED TRUST FUNDS</u>	
CAPITAL GUARDIAN INTL EQUITY FUND	92,641
CAPITAL GUARDIAN EMERGING MARKETS EQUITY FUND	1,950
TOTAL COMMINGLED TRUST FUNDS	94,591

LOANS TO PARTICIPANTS	Various maturities and interest rates ranging from 5.0% to 10.5%	179,895
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GRAND TOTAL	\$	1,066,231
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* Identified as a party-in-interest to the Plan.

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SIGNATURE

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

VIACOM EMPLOYEE SAVINGS PLAN

Date: June 25, 2004

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

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Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-116918) of Viacom Inc. of our report dated June 25, 2004, relating to the Financial Statements of the Viacom Employee Savings Plan, which appears in this Form 11-K.

/s/ **PRICEWATERHOUSECOOPERS LLP**

New York, New York
June 28, 2004
