

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE TO

Tender Offer Statement Under Section 14(d)(1) or 13(e)(1)
of the Securities Exchange Act of 1934

VIACOM INC.

(Name of Subject Company (Issuer))

VIACOM INC.

(Name of Filing Persons (Issuer and Offeror))

Class A Common Stock, Par Value \$0.01 Per Share

Class B Common Stock, Par Value \$0.01 Per Share

(Title of Class of Securities)

925524100 (Class A Common Stock)

925524308 (Class B Common Stock)

(CUSIP Numbers of Classes of Securities)

Michael D. Fricklas

Executive Vice President, General Counsel and Secretary

Viacom Inc.

1515 Broadway

New York, New York 10036

(212) 258-6000

(Name, Address and Telephone Number of Person Authorized to Receive Notices
and Communications on Behalf of Filing Persons)

Copy to:

Stephen T. Giove

Creighton O'M. Condon

Christa A. D'Alimonte

Shearman & Sterling LLP

599 Lexington Avenue

New York, New York 10022

(212) 848-4000

CALCULATION OF FILING FEE

Transaction Valuation*

\$946,765,046.90

Amount of Filing Fee**

\$119,955.13

* Assumes the exchange of 27,961,165 shares of Viacom Inc. ("Viacom") class A common stock, par value \$0.01 per share (the "Viacom class A common stock"), and Viacom class B common stock, par value \$0.01 per share (the "Viacom class B common stock"), at the exchange ratio of 2.575 shares of Blockbuster Inc. ("Blockbuster") class A common stock, par value \$0.01 per share (the "Blockbuster class A common stock"), and 2.575 shares of Blockbuster class B common stock, par value \$0.01 per share (the "Blockbuster class B common stock"), per share of Viacom class A or class B common stock. Estimated solely for purposes of calculating the filing fee pursuant to Rule 0-11(a)(4) under the Securities Exchange Act of 1934, based on the product of (i) the average of (x) \$34.12, the average of the high and low sales prices of Viacom class A common stock on The New York Stock Exchange on September 1, 2004 and (y) \$33.60, the average of the high and low sales prices of Viacom class B common stock on The New York Stock Exchange on September 1, 2004 and (ii) 27,961,165, the maximum number of shares of Viacom class A and class B common stock to be exchanged in the exchange offer.

** Calculated as .0001267 multiplied by the Transaction Valuation.

Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: \$280,057.68

Filing Party: Blockbuster Inc.

Form or Registration No.: Form S-4, Registration No. 333-116617

Date Filed: June 18, 2004

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer. Check the appropriate boxes to designate any transactions to which the statement relates:

third-party tender offer subject to Rule 14d-1.

issuer tender offer subject to Rule 13e-4.

going-private transaction subject to Rule 13e-3.

amendment to Schedule 13D under Rule 13d-2.

Check the following box if the filing is a final amendment reporting the results of the tender offer:

This Tender Offer Statement on Schedule TO (this “Schedule TO”) is filed by Viacom Inc., a Delaware corporation (“Viacom”). This Schedule TO relates to the offer by Viacom to exchange 2.575 shares of Blockbuster Inc., a Delaware corporation (“Blockbuster”), class A common stock, par value \$0.01 per share (the “Blockbuster class A common stock”), and 2.575 shares of Blockbuster class B common stock, par value \$0.01 per share (the “Blockbuster class B common stock”), for each outstanding share of Viacom class A common stock, par value \$0.01 per share (the “Viacom class A common stock”), and Viacom class B common stock, par value \$0.01 per share (the “Viacom class B common stock”), that is validly tendered and not properly withdrawn, up to an aggregate of 27,961,165 shares of Viacom class A and class B common stock, upon the terms and subject to the conditions set forth in the Prospectus-Offer to Exchange, dated September 8, 2004 (the “Prospectus-Offer to Exchange”), the Letter of Transmittal and the Instruction Booklet to the Letter of Transmittal, copies of which are attached hereto as Exhibits (a)(1), (a)(2) and (a)(3) (which, together with any amendments or supplements thereto, collectively constitute the “exchange offer”). In connection with the exchange offer, Blockbuster has filed under the Securities Act of 1933, as amended, a registration statement on Form S-4 (Registration No. 333-116617) (as amended through the date hereof, the “Registration Statement”) to register 72 million shares of Blockbuster class A common stock and 72 million shares of Blockbuster class B common stock.

The information set forth in the Prospectus-Offer to Exchange, the Letter of Transmittal and the Instruction Booklet to the Letter of Transmittal is incorporated herein by reference with respect to Items 1-9 and 11 of this Schedule TO.

Item 10. FINANCIAL STATEMENTS.

(a) Financial Information.

The information set forth in the Prospectus-Offer to Exchange in the sections entitled “Summary—Comparative Per Share Data,” “Summary—Selected Historical Financial Data for Viacom and Blockbuster” and “Where You Can Find More Information About Viacom and Blockbuster,” on pages II-38-II-87 of Viacom’s Annual Report on Form 10-K for the year ended December 31, 2003 and on pages 3-27 of Viacom’s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2004 is incorporated herein by reference.

(b) Pro forma Information.

The information set forth in the Prospectus-Offer to Exchange in the section entitled “Viacom Unaudited Pro Forma Consolidated Condensed Financial Information” is incorporated herein by reference.

Item 12. MATERIAL TO BE FILED AS EXHIBITS.

- (a) (1) Prospectus-Offer to Exchange, dated September 8, 2004 (incorporated by reference to Blockbuster's Amendment No. 3 to Registration Statement on Form S-4 (File No. 333-116617), filed with the Securities and Exchange Commission on September 8, 2004).
- (a) (2) Form of Letter of Transmittal (incorporated by reference to Blockbuster's Amendment No. 3 to Registration Statement on Form S-4 (File No. 333-116617), filed with the Securities and Exchange Commission on September 8, 2004).
- (a) (3) Form of Instruction Booklet to Letter of Transmittal (incorporated by reference to Blockbuster's Amendment No. 3 to Registration Statement on Form S-4 (File No. 333-116617), filed with the Securities and Exchange Commission on September 8, 2004).
- (a) (4) Form of Notice of Guaranteed Delivery (incorporated by reference to Blockbuster's Amendment No. 3 to Registration Statement on Form S-4 (File No. 333-116617), filed with the Securities and Exchange Commission on September 8, 2004).
- (a) (5) Form of Letter from Dealer Managers to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees (incorporated by reference to Blockbuster's Amendment No. 3 to Registration Statement on Form S-4 (File No. 333-116617), filed with the Securities and Exchange Commission on September 8, 2004).
- (a) (6) Form of Letter to Clients for Use by Brokers, Commercial Banks, Trust Companies and Other Nominees (incorporated by reference to Blockbuster's Amendment No. 3 to Registration Statement on Form S-4 (File No. 333-116617), filed with the Securities and Exchange Commission on September 8, 2004).
- (a) (7) Form of Letter from Trustee of Viacom-Sponsored 401(k) Plans (incorporated by reference to Blockbuster's Amendment No. 3 to Registration Statement on Form S-4 (File No. 333-116617), filed with the Securities and Exchange Commission on September 8, 2004).
- (a) (8) Form of Procedures for Submitting Tender Instructions for Viacom Stock Held in a Viacom-Sponsored 401(k) Plan (incorporated by reference to Blockbuster's Amendment No. 3 to Registration Statement on Form S-4 (File No. 333-116617), filed with the Securities and Exchange Commission on September 8, 2004).
- (a) (9) Form of Letter from Trustee of Blockbuster Investment Plan (incorporated by reference to Blockbuster's Amendment No. 3 to Registration Statement on Form S-4 (File No. 333-116617), filed with the Securities and Exchange Commission on September 8, 2004).
- (a) (10) Form of Procedures for Submitting Tender Instructions for Viacom Stock Held in the Blockbuster Investment Plan (incorporated by reference to Blockbuster's Amendment No. 3 to Registration Statement on Form S-4 (File No. 333-116617), filed with the Securities and Exchange Commission on September 8, 2004).
- (a) (11) Form of Instructions to Tender: Shares of Viacom Class A/B Common Stock Held in a 401(k) Plan (incorporated by reference to Blockbuster's Amendment No. 3 to Registration Statement on Form S-4 (File No. 333-116617), filed with the Securities and Exchange Commission on September 8, 2004).
- (a) (12) Form of Internet Election for Viacom and Blockbuster 401(k) Plan Participants to submit tender instructions (incorporated by reference to Blockbuster's Amendment No. 3 to Registration Statement on Form S-4 (File No. 333-116617), filed with the Securities and Exchange Commission on September 8, 2004).

- (a) (13) Summary Advertisement as published in *The Wall Street Journal* on September 8, 2004 (incorporated by reference to Blockbuster's Amendment No. 3 to Registration Statement on Form S-4 (File No. 333-116617), filed with the Securities and Exchange Commission on September 8, 2004).
- (a) (14) Press Release issued by Viacom on September 8, 2004.
- (a) (15) Viacom's Annual Report on Form 10-K for the year ended December 31, 2003, previously filed with the Securities and Exchange Commission on March 15, 2004 and incorporated herein by reference.
- (a) (16) Viacom's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2004, previously filed with the Securities and Exchange Commission on August 9, 2004 and incorporated herein by reference.
- (b) None.
- (d) None.
- (g) None.
- (h) Opinion of Cravath, Swaine & Moore LLP (incorporated by reference to Blockbuster's Amendment No. 3 to Registration Statement on Form S-4 (File No. 333-116617), filed with the Securities and Exchange Commission on September 8, 2004).

Item 13. INFORMATION REQUIRED BY SCHEDULE 13E-3.

Not applicable.

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: September 8, 2004

VIACOM INC.

By: /s/ MICHAEL D. FRICKLAS

Name: Michael D. Fricklas

Title: Executive Vice President, General
Counsel and Secretary

EXHIBIT INDEX

**Exhibit
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**VIACOM ANNOUNCES COMMENCEMENT OF
BLOCKBUSTER SPLIT-OFF EXCHANGE OFFER**

NEW YORK, NEW YORK, September 8, 2004—Viacom Inc. (NYSE: VIA and VIA.B) today announced that it has commenced an offer to its stockholders for the exchange, on a tax-free basis, of some or all of their shares of Viacom stock for shares of Blockbuster Inc. (NYSE: BBI) held by Viacom. Assuming the exchange offer is fully subscribed, Viacom will dispose of its entire ownership interest in Blockbuster, which currently totals approximately 81.5% of Blockbuster's outstanding shares.

Under the terms of the offer, each holder of Viacom Class A Common Stock and Viacom Class B Common Stock will receive 5.15 shares of Blockbuster stock, consisting of 2.575 shares of Blockbuster Class A Common Stock and 2.575 shares of Blockbuster Class B Common Stock, in exchange for each Viacom share tendered. Viacom will accept pursuant to the offer up to an aggregate of 27,961,165 shares of Viacom Class A and Class B common stock. The exchange offer will expire at 12:00 midnight, New York City time, on October 5, 2004. The terms and conditions of the exchange offer are more fully described in a Blockbuster Registration Statement on Form S-4 and a Viacom Schedule TO being filed with the Securities and Exchange Commission today.

Under the terms of the offer, a shareholder accepting the offer would receive shares of Blockbuster Common Stock with a value, based on closing market prices on September 7, 2004, representing a premium of approximately 19.2% over the closing price on that date of a share of Viacom Class B Common stock. The premium over the price of a share of Viacom Class A Common Stock on that date would be 17.6%. The actual premium will differ depending on changes in market prices through the consummation of the offer and the price of Blockbuster Class B Common Stock at the time the Blockbuster Class B Common Stock begins to trade.

Viacom currently owns 144 million shares of Blockbuster Class B Common Stock, representing all of the outstanding shares of Blockbuster Class B Common Stock. Subject to the satisfaction of certain conditions to ensure the tax-free nature of the exchange offer, Viacom will convert 72 million shares of Blockbuster Class B Common

Stock, on a one-for-one basis, into shares of Blockbuster Class A Common Stock prior to the completion of the exchange offer. As a result of this conversion, the outstanding Blockbuster common stock after completion of the exchange offer will consist of approximately 60% Blockbuster Class A Common Stock and 40% Blockbuster Class B Common Stock. It is currently expected that, after the transaction is completed, the number of votes per share of Blockbuster Class B Common Stock will be reduced from five votes per share to two votes per share.

Information About the Exchange Offer

Stockholders of Viacom are advised to read Viacom's Tender Offer Statement on Schedule TO, Blockbuster's Registration Statement on Form S-4 and the Prospectus-Offer to Exchange, as well as any other documents relating to the exchange offer that are filed with the SEC when they become available because they will contain important information. Stockholders of Viacom may obtain copies of these documents for free at the SEC's website at www.sec.gov or from Viacom Investor Relations at 1-800-516-4399. Viacom stockholders may also request copies of the exchange offer documents from Viacom's information agent, MacKenzie Partners, Inc., located at 105 Madison Avenue, New York, NY 10016, at (800) 322-2885 (toll-free) in the United States or at (212) 929-5500 (collect) elsewhere.

About Viacom Inc.

Viacom is a leading global media company, with preeminent positions in broadcast and cable television, radio, outdoor advertising, and online. With programming that appeals to audiences in every demographic category across virtually all media, the company is a leader in the creation, promotion, and distribution of entertainment, news, sports, music, and comedy. Viacom's well-known brands include CBS, MTV, Nickelodeon, Nick at Nite, VH1, BET, Paramount Pictures, Infinity Broadcasting, Viacom Outdoor, UPN, TV Land, Comedy Central, CMT: Country Music Television, Spike TV, Showtime, Blockbuster, and Simon & Schuster. More information about Viacom and its businesses is available at www.viacom.com.

About Blockbuster Inc.

Blockbuster Inc. is a publicly traded subsidiary of Viacom Inc. and a leading global provider of in-home movie and game entertainment, with nearly 9,000 stores throughout the Americas, Europe, Asia and Australia. The Company may be accessed worldwide at blockbuster.com. Viacom is a leading global media company, with preeminent positions in broadcast and cable television, radio, outdoor advertising and online.

Cautionary Statement Concerning Forward-Looking Statements

This press release contains both historical and forward-looking statements. Forward-looking statements are not based on historical facts, but rather reflect Viacom's and Blockbuster's current expectations, estimates and projections concerning future results and events. Forward-looking statements generally can be identified by the fact that they do not related strictly to historical or current facts and include, without limitation, words such as "believe", "expect", "anticipate", "may", "could", "intend", "intent", "belief", "estimate", "plan", "foresee", "likely", "will" or other similar words or phrases. Similarly, statements concerning the exchange offer or agreements or arrangements relating to the exchange offer or that describe Viacom's or Blockbuster's strategies, initiatives, objectives, plans or goals are forward-looking statements. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other factors that are difficult to predict and that may cause Viacom's or Blockbuster's actual results, performance or achievements to vary materially from what is expressed in or indicated by such forward-looking statements. Viacom and Blockbuster cannot make any assurance that projected results or events will be achieved. The risk factors set forth in the section of the Prospectus—Offer to Exchange entitled "Risk Factors", and the matters discussed in Viacom's and Blockbuster's SEC filings, including the "Disclosure Regarding Forward-Looking Information" sections of Blockbuster's Annual Report on Form 10-K for the fiscal year ended December 31, 2003 and Blockbuster's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2004, and the matters discussed in the "Cautionary Statement Concerning Forward-Looking Statements" sections of Viacom's Annual Report on Form 10-K for the fiscal year ended December 31, 2003 and Viacom's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2004, among others, could affect future results, causing these results to differ materially from those expressed in Viacom's and Blockbuster's forward-looking statements.

The forward-looking statements included in this press release are made only as of the date of this press release and neither Viacom nor Blockbuster has any obligation to publicly update any forward-looking statement to reflect subsequent events or circumstances.

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