

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, 1998 Commission file number 1-9553

OR

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

VIACOM INVESTMENT 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 INVESTMENT PLAN

FINANCIAL STATEMENTS

DECEMBER 31, 1998

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All other schedules are omitted as not applicable or not required.

(b) Exhibit:

I - Consent of Independent Accountants

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 INVESTMENT PLAN

Date: June 28, 1999

By: /s/ Barbara Mickowski

Barbara Mickowski

Member of the Retirement Committee

Report of Independent Accountants

To the Participants and  
Administrator of the  
Viacom Investment Plan

In our opinion, the financial statements listed in the accompanying index present fairly, in all material respects, the net assets available for benefits of the Viacom Investment Plan (the "Plan") at December 31, 1998 and 1997, and the changes in net assets available for benefits for the years then ended, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Plan's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

As discussed in Note 1 to the financial statements, as a result of the sale of the educational, professional and reference publishing businesses ("Non-Consumer Publishing") to Pearson plc on November 27, 1998, the Plan transferred the assets held for the participants from Non-Consumer Publishing to a qualified plan sponsored by Pearson plc. Effective January 1, 1997, the Savings and Investment Plan for Employees of PVI Transmission and Paramount Distribution Inc. merged with and into the Plan.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules as listed in the accompanying index are presented for purposes of additional analysis and are not a required part of the basic financial statements but are 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 fund information in the statements of net assets available for benefits and the statements of changes in net assets available for benefits is presented for purposes of additional analysis rather than to present the net assets available for plan benefits and changes in net assets available for benefits of each fund. The supplemental schedules and fund information are the responsibility of the Plan's management. These supplemental schedules and fund information have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PricewaterhouseCoopers LLP  
New York, New York  
June 28, 1999

VIACOM INVESTMENT PLAN  
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS, WITH FUND INFORMATION  
DECEMBER 31, 1998

(continued on Page 3)

	Participant Directed						
	Putnam Voyager Fund	Putnam Vista Fund	Putnam Fund for Growth & Income	Putnam U.S. Gov't Income Trust	Certus Interest Income Fund	Putnam Money Market Trust	Europacific Growth Fund
Assets:							
Investments, at fair value:							
Registered investment companies ..	\$111,423,581	\$3,365,548	\$64,456,221	\$1,219,221		\$ 354,016	\$21,950,038
Viacom Inc. common stock .....							
Investments in other .....							
Loans to participants .....							
Investments, at contract value:							
Plan's interest in Master Trust ..					\$92,315,381		
Total investments .....	111,423,581	3,365,548	64,456,221	1,219,221	92,315,381	354,016	21,950,038
Cash and cash equivalents .....							
Receivables:							
Investment income .....							
Contributions:							
Employee .....	230,642		126,698		70,914		72,369
Employer .....							
Total Assets .....	111,654,223	3,365,548	64,582,919	1,219,221	92,386,295	354,016	22,022,407
Liabilities:							
Payable to other plan .....					35,742,504		
Net assets available for benefits ...	<u>\$111,654,223</u>	<u>\$3,365,548</u>	<u>\$64,582,919</u>	<u>\$1,219,221</u>	<u>\$56,643,791</u>	<u>\$ 354,016</u>	<u>\$22,022,407</u>

See accompanying notes to the financial statements.

VIACOM INVESTMENT PLAN  
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS, WITH FUND INFORMATION  
DECEMBER 31, 1998

(continued)

Participant Directed						
	George Putnam Fund of Boston	Putnam Investors Fund	Putnam S&P 500 Index Fund	Putnam Income Fund	Viacom Inc. Common Stock Fund	Loan Fund
Assets:						
-----						
Investments, at fair value:						
Registered investment companies ...	\$17,974,563	\$66,158,631	\$10,562,118	\$15,293,462		
Viacom Inc. common stock .....					\$41,297,925	
Investments in other .....					96,901	
Loans to participants .....						\$13,379,773
Investments, at contract value:						
Plan's interest in Master Trust ...						
Total investments .....	17,974,563	66,158,631	10,562,118	15,293,462	41,394,826	13,379,773
Cash and cash equivalents .....					140,612	
Receivables:						
Investment income .....						31,883
Contributions:						
Employee .....	63,911	138,435	72,458	43,631	93,448	
Employer .....						
Total Assets .....	18,038,474	66,297,066	10,634,576	15,337,093	41,628,886	13,411,656
Liabilities:						
-----						
Payable to other plan .....						
Net assets available for benefits ...	\$18,038,474	\$66,297,066	\$10,634,576	\$15,337,093	\$41,628,886	\$13,411,656
	=====	=====	=====	=====	=====	=====
Non-Participant Directed						
-----						
	Viacom Inc. Common Stock Fund	Total				
	-----	-----				
Assets:						
-----						
Investments, at fair value:						
Registered investment companies ...		\$312,757,399				
Viacom Inc. common stock .....	\$156,912,244	198,210,169				
Investments in other .....	509,927	606,828				
Loans to participants .....		13,379,773				
Investments, at contract value:						
Plan's interest in Master Trust ...		92,315,381				
Total investments .....	157,422,171	617,269,550				
Cash and cash equivalents .....		140,612				
Receivables:						
Investment income .....		31,883				
Contributions:						
Employee .....		912,506				
Employer .....	309,448	309,448				
Total Assets .....	157,731,619	618,663,999				
Liabilities:						
-----						
Payable to other plan .....		35,742,504				
Net assets available for benefits ...	\$157,731,619	\$582,921,495				
	=====	=====				

See accompanying notes to the financial statements.

VIACOM INVESTMENT PLAN  
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS, WITH FUND INFORMATION  
DECEMBER 31, 1997

(continued on Page 5)

	Participant Directed						
	Putnam Voyager Fund	Putnam Vista Fund	Putnam Fund for Growth & Income	Putnam U.S. Gov't Income Trust	Certus Interest Income Fund	Putnam Money Market Fund	Europacific Growth Fund
Assets:							
Investments, at fair value:							
Registered investment companies..	\$123,864,587	\$3,598,512	\$86,556,539	\$ 1,392,901		\$ 420,028	\$27,128,767
Viacom Inc. common stock .....							
Investments in other .....							
Loans to participants .....							
Investments, at contract value:							
Plan's interest in Master Trust..					\$88,386,734		
Total investments.....	123,864,587	3,598,512	86,556,539	1,392,901	88,386,734	420,028	27,128,767
Cash and cash equivalents .....							
Receivables:							
Investment income .....							
Contributions:							
Employee.....	329,028		196,148		93,187		108,548
Employer .....							
Net assets available for benefits...	\$124,193,615	\$3,598,512	\$86,752,687	\$ 1,392,901	\$88,479,921	\$ 420,028	\$27,237,315

See accompanying notes to the financial statements.

VIACOM INVESTMENT PLAN  
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS, WITH FUND INFORMATION  
DECEMBER 31, 1997

(continued)

	Participant Directed					
	George Putnam Fund of Boston	Putnam Investors Fund	Putnam S&P 500 Index Fund	Putnam Income Fund	Viacom Inc. Common Stock Fund	Loan Fund
Assets:						
-----						
Investments, at fair value:						
Registered investment companies ...	\$ 29,379,679	\$67,246,352	\$7,531,954	\$26,727,666		
Viacom Inc. common stock .....					\$36,968,097	
Investments in other .....					277,540	
Loans to participants .....						\$18,725,328
Investments, at contract value:						
Plan's interest in Master Trust ...						
Total investments .....	29,379,679	67,246,352	7,531,954	26,727,666	37,245,637	18,725,328
Cash and cash equivalents .....					73,882	
Receivables:						
Investment income .....						52,046
Contributions:						
Employee .....	65,052	179,470	44,056	54,570	110,470	
Employer .....						
Net assets available for benefits ...	\$ 29,444,731	\$67,425,822	\$7,576,010	\$26,782,236	\$37,429,989	\$18,777,374

	Non-Participant Directed	
	Viacom Inc. Common Stock Fund	Total
Assets:		
-----		
Investments, at fair value:		
Registered investment companies ...		\$373,846,985
Viacom Inc. common stock .....	\$144,000,630	180,968,727
Investments in other .....	587,525	865,065
Loans to participants .....		18,725,328
Investments, at contract value:		
Plan's interest in Master Trust ...		88,386,734
Total investments .....	144,588,155	662,792,839
Cash and cash equivalents .....	649,791	723,673
Receivables:		
Investment income .....		52,046
Contributions:		
Employee .....		1,180,529
Employer .....	390,980	390,980
Net assets available for benefits ...	\$145,628,926	\$665,140,067

See accompanying notes to the financial statements.

VIACOM INVESTMENT PLAN  
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS, WITH FUND INFORMATION  
YEAR ENDED DECEMBER 31, 1998

(continued on Page 7)

	Participant Directed				
	Putnam Voyager Fund ----	Putnam Vista Fund ----	Putnam Fund Growth & Income -----	Putnam U.S. Gov't Income Trust -----	Certus Interest Income Fund ----
Additions (deductions) to net assets attributed to:					
Contributions:					
Employee .....	\$14,323,507		\$ 9,091,748		\$ 3,802,869
Employer .....					
Rollover .....	670,350		688,116		699,415
Investment income .....	12,616,453	\$ 248,001	9,422,307	\$ 84,632	
Plan's interest in Master Trust investment income .....					5,461,219
Net appreciation (depreciation) in fair value of investments .....	16,539,790	323,617	3,489,421	3,802	
Interfund transfers and loan activity, net ...	(3,837,273)	49,722	(4,378,506)	(5,704)	8,825,304
Total additions (deductions) .....	40,312,827	621,340	18,313,086	82,730	18,788,807
Deductions to net assets attributed to:					
Participants benefits paid .....	15,655,097	854,247	10,357,668	256,392	14,860,780
Plan expenses .....	15,853	57	9,584	18	21,653
Total deductions .....	15,670,950	854,304	10,367,252	256,410	14,882,433
Net increase (decrease) .....	24,641,877	(232,964)	7,945,834	(173,680)	3,906,374
Transfer to other plan .....	(37,181,269)		(30,115,602)		(35,742,504)
Net assets available for benefits, beginning of year .....	124,193,615	3,598,512	86,752,687	1,392,901	88,479,921
Net assets available for benefits, end of year ...	\$111,654,223	\$ 3,365,548	\$64,582,919	\$ 1,219,221	\$56,643,791

	Putnam Money Market Trust -----		Europacific Growth Fund -----	
	Additions (deductions) to net assets attributed to:			
Contributions:				
Employee .....		\$ 4,891,062		
Employer .....			324,654	
Rollover .....				
Investment income .....	\$ 17,774		1,981,450	
Plan's interest in Master Trust investment income .....				
Net appreciation (depreciation) in fair value of investments .....			2,103,495	
Interfund transfers and loan activity, net ...	(31,945)		(1,956,322)	
Total additions (deductions) .....	(14,171)		7,344,339	
Deductions to net assets attributed to:				
Participants benefits paid .....	51,836		3,182,997	
Plan expenses .....	5		4,413	

Total deductions .....	51,841	3,187,410
	-----	-----
Net increase (decrease) .....	(66,012)	4,156,929
Transfer to other plan .....		(9,371,837)
Net assets available for benefits, beginning of year .....	420,028	27,237,315
	-----	-----
Net assets available for benefits, end of year ...	\$ 354,016	\$22,022,407
	=====	=====

See accompanying notes to the financial statements.

VIACOM INVESTMENT PLAN  
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS, WITH FUND INFORMATION  
YEAR ENDED DECEMBER 31, 1998

(continued)

	Participant Directed					
	George Putnam Fund of Boston	Putnam Investors Fund	Putnam S&P 500 Index Fund	Putnam Income Fund	Viacom Inc. Common Stock Fund	Loan Fund
Additions (deductions) to net assets attributed to:						
Contributions:						
Employee .....	\$ 3,169,070	\$ 8,478,890	\$ 2,857,507	\$ 2,696,018	\$ 5,045,228	
Employer .....						
Rollover .....	291,727	499,999	434,927	296,990	282,438	
Investment income .....	3,239,325	4,075,966	293,401	1,741,850	7,793	\$ 1,580,734
Plan's interest in Master Trust investment income .....						
Net appreciation (depreciation) in fair value of investments .....	(53,804)	20,518,683	2,807,179	(704,081)	27,413,441	
Interfund transfers and loan activity, net .....	(875,979)	2,493,510	6,493,843	232,552	(275,592)	224,105
<b>Total additions (deductions) .....</b>	<b>5,770,339</b>	<b>36,067,048</b>	<b>12,886,857</b>	<b>4,263,329</b>	<b>32,473,308</b>	<b>1,804,839</b>
Deductions to net assets attributed to:						
Participants benefits paid .....	3,619,573	8,338,352	1,437,860	4,094,759	5,397,421	1,797,449
Plan expenses .....	10,032	11,473	1,036	2,574	2,622	
<b>Total deductions .....</b>	<b>3,629,605</b>	<b>8,349,825</b>	<b>1,438,896</b>	<b>4,097,333</b>	<b>5,400,043</b>	<b>1,797,449</b>
<b>Net increase (decrease) .....</b>	<b>2,140,734</b>	<b>27,717,223</b>	<b>11,447,961</b>	<b>165,996</b>	<b>27,073,265</b>	<b>7,390</b>
Transfer to other plan .....	(13,546,991)	(28,845,979)	(8,389,395)	(11,611,139)	(22,874,368)	(5,373,108)
Net assets available for benefits, beginning of year .....	29,444,731	67,425,822	7,576,010	26,782,236	37,429,989	18,777,374
Net assets available for benefits, end of year .....	<u>\$18,038,474</u>	<u>\$66,297,066</u>	<u>\$10,634,576</u>	<u>\$15,337,093</u>	<u>\$41,628,886</u>	<u>\$13,411,656</u>

Non-Participant Directed

	Viacom Inc. Common Stock Fund	Total
Additions (deductions) to net assets attributed to:		
Contributions:		
Employee .....		\$ 54,355,899
Employer .....	\$ 17,713,131	17,713,131
Rollover .....		4,188,616
Investment income .....	8,841,289	44,150,975
Plan's interest in Master Trust investment income .....		5,461,219
Net appreciation (depreciation) in fair value of investments .....	105,061,784	177,503,327
Interfund transfers and loan activity, net .....	(6,957,715)	--
<b>Total additions (deductions) .....</b>	<b>124,658,489</b>	<b>303,373,167</b>
Deductions to net assets attributed to:		

Participants benefits paid .....	23,039,113	92,943,544
Plan expenses .....	1,079,650	1,158,970
	-----	-----
Total deductions .....	24,118,763	94,102,514
	-----	-----
Net increase (decrease) .....	100,539,726	209,270,653
Transfer to other plan .....	(88,437,033)	(291,489,225)
Net assets available for benefits, beginning of year .....	145,628,926	665,140,067
	-----	-----
Net assets available for benefits, end of year. ....	\$157,731,619	\$582,921,495
	=====	=====

See accompanying notes to the financial statements.

VIACOM INVESTMENT PLAN  
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS, WITH FUND INFORMATION  
YEAR ENDED DECEMBER 31, 1997

(continued on Page 9)

	Participant Directed				
	Putnam Voyager Fund -----	Putnam Vista Fund -----	Putnam Fund for Growth & Income -----	Putnam U.S. Gov't Income Trust -----	Certus Interest Income Fund -----
Additions (deductions) to net assets attributed to:					
Contributions:					
Employee .....	\$ 15,237,925		\$ 9,051,632		\$ 4,035,240
Employer .....					
Rollover .....	1,253,913		1,234,566		318,501
Investment income .....	7,568,210	\$ 302,842	11,542,266	\$ 142,967	
Plan's interest in Master Trust investment income .....					5,592,790
Net appreciation (depreciation) in fair value of investments .....	19,762,227	748,941	5,801,340	38,504	
Interfund transfers and loan activity, net .....	(7,993,298)	119,781	1,950,838	(60,566)	33,768
Total additions (deductions) .....	35,828,977	1,171,564	29,580,642	120,905	9,980,299
Deductions to net assets attributed to:					
Participants benefits paid .....	19,319,034	4,347,150	13,219,441	1,299,424	20,742,100
Plan expenses .....	25,943	159	14,910	56	398,529
Total deductions .....	19,344,977	4,347,309	13,234,351	1,299,480	21,140,629
Net increase (decrease) .....	16,484,000	(3,175,745)	16,346,291	(1,178,575)	(11,160,330)
Transfer from other plans .....	3,534,153		1,629,287		598,000
Net assets available for benefits, beginning of year .....	104,175,462	6,774,257	68,777,109	2,571,476	99,042,251
Net assets available for benefits, end of year .....	\$124,193,615	\$ 3,598,512	\$86,752,687	\$ 1,392,901	\$ 88,479,921

	Putnam Money Market Fund -----	Europacific Growth Fund -----
Additions (deductions) to net assets attributed to:		
Contributions:		
Employee .....		\$ 5,289,605
Employer .....		
Rollover .....		621,377
Investment income .....	\$ 38,045	2,306,223
Plan's interest in Master Trust investment income .....		
Net appreciation (depreciation) in fair value of investments .....		(76,754)
Interfund transfers and loan activity, net .....	178,178	(373,384)
Total additions (deductions) .....	216,223	7,767,067
Deductions to net assets attributed to:		
Participants benefits paid .....	732,601	2,585,677

Plan expenses .....	17	8,563
	-----	-----
Total deductions .....	732,618	2,594,240
	-----	-----
Net increase (decrease) .....	(516,395)	5,172,827
Transfer from other plans .....		416,243
Net assets available for benefits, beginning of year .....	936,423	21,648,245
	-----	-----
Net assets available for benefits, end of year .....	\$ 420,028	\$27,237,315
	=====	=====

See accompanying notes to the financial statements.

VIACOM INVESTMENT PLAN  
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS, WITH FUND INFORMATION  
YEAR ENDED DECEMBER 31, 1997

(continued)

	Participant Directed					
	George Putnam Fund of Boston	Putnam Investors Fund	Putnam S&P 500 Index Fund	Putnam Income Fund	Viacom Inc. Common Stock Fund	Loan Fund
Additions (deductions) to net assets attributed to:						
Contributions:						
Employee .....	\$ 3,096,688	\$ 7,466,756	\$ 574,415	\$ 2,814,084	\$ 5,421,655	
Employer .....		835,957	328,835	205,401	199,626	
Rollover .....	318,277					
Investment income .....	2,787,771	6,284,907		1,767,018	17,871	\$ 1,496,199
Plan's interest in Master Trust investment income .....						
Net appreciation (depreciation) in fair value of investments .....	2,452,942	10,582,763	385,476	400,588	6,416,988	
Interfund transfers and loan activity, net .....	(432,508)	1,331,396	6,460,173	(290,815)	(1,060,681)	890,810
Total additions .....	8,223,170	26,501,779	7,748,899	4,896,276	10,995,459	2,387,009
Deductions to net assets attributed to:						
Participants benefits paid .....	2,685,838	5,212,775	172,386	2,709,200	3,975,336	3,399,436
Plan expenses .....	7,408	22,947	503	4,972	1,829	
Total deductions .....	2,693,246	5,235,722	172,889	2,714,172	3,977,165	3,399,436
Net increase (decrease) .....	5,529,924	21,266,057	7,576,010	2,182,104	7,018,294	(1,012,427)
Transfer from other plans .....	142,776	1,206,917		264,200	774,414	253,313
Net assets available for benefits, beginning of year .....	23,772,031	44,952,848	--	24,335,932	29,637,281	19,536,488
Net assets available for benefits, end of year .....	\$29,444,731	\$ 67,425,822	\$7,576,010	\$26,782,236	\$ 37,429,989	\$18,777,374

Non-Participant  
Directed

	Viacom Inc. Common Stock Fund	Total
Additions (deductions) to net assets attributed to:		
Contributions:		
Employee .....		\$ 52,988,000
Employer .....	\$ 15,519,294	15,519,294
Rollover .....		5,316,453
Investment income .....	100,105	34,354,424
Plan's interest in Master Trust investment income .....		5,592,790
Net appreciation (depreciation) in fair value of investments .....	23,352,432	69,865,447
Interfund transfers and loan activity, net .....	(753,692)	--
Total additions .....	38,218,139	183,636,408
Deductions to net assets attributed to:		

Participants benefits paid .....	12,409,115	92,809,513
Plan expenses .....	794,578	1,280,414
	-----	-----
Total deductions .....	13,203,693	94,089,927
	-----	-----
Net increase (decrease) .....	25,014,446	89,546,481
Transfer from other plans .....	722,681	9,541,984
Net assets available for benefits, beginning of year .....	119,891,799	566,051,602
	-----	-----
Net assets available for benefits, end of year .....	\$145,628,926	\$665,140,067
	=====	=====

See accompanying notes to the financial statements.

VIACOM INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - PLAN DESCRIPTION

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

The Plan is a defined contribution plan offered on a voluntary basis to substantially all employees of Viacom International Inc. (the "Company"), a wholly-owned subsidiary of Viacom Inc.

Eligible employees may become participants in the Plan following the attainment of age 21 and completion of twelve months of employment service, generally measured from date of hire. In addition, part-time employees are eligible to participate in the Plan upon completion of one thousand hours of service within a consecutive twelve-month period. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and is administered by a committee (the "Administrator") appointed by the Board of Directors of the Company. 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.

On October 26, 1998 and November 27, 1998, the Company completed the sale of its music retail stores ("Music") to Warehouse Entertainment, Inc. and its educational, professional and reference publishing businesses ("Non-Consumer Publishing") to Pearson plc, respectively. As a result, the Plan was amended such that the plan participants employed in these businesses were deemed to be fully vested in the value of their accrued benefits as of the respective dates of disposition.

Subsequent to the Music sale, the Plan participants from the Music business were entitled to the normal payment options offered to terminated employees.

On December 31, 1998, all of the assets held for the Plan participants from the Non-Consumer Publishing business, except for the assets held in the Certus Interest Income Fund, were transferred to a qualified plan sponsored by Pearson plc; the assets held in the Certus Interest Income Fund were transferred on January 27, 1999.

Effective January 1, 1997 the Savings and Investment Plan for Employees of PVI Transmission and Paramount Distribution Inc. merged with and into the Plan.

Effective January 1, 1997, Plan participant accounts in the Putnam Voyager Fund, Putnam Fund for Growth and Income, George Putnam Fund of Boston, Putnam Investors Fund and the Putnam Income Fund were converted to a class of shares that are subject to a lower annual fund expense.

Investment and participant accounts

Putnam Fiduciary Trust Company (the "Trustee") is the trustee and custodian of Plan assets.

VIACOM INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

Plan participants have the option of investing their contributions or existing account balances among the following funds:

Growth

Putnam S&P 500 Index Fund (effective July 1, 1997)

This fund invests primarily in publicly traded common stocks either directly or through collective investment trusts having a similar investment objective. The fund is designed to achieve a return, before the assessment of any fees, that closely approximates the return of the Standard & Poor's 500 Composite Stock Price Index.

Putnam Investors Fund

This fund seeks long-term growth of capital and any increased income that results from this growth. The fund is designed for investors seeking long-term growth of capital from a portfolio primarily consisting of quality common stocks.

Putnam Voyager Fund

This fund seeks capital appreciation by investing in a combination of stocks of smaller companies expected to grow over time as well as stocks of larger, more established corporations. The fund is designed for investors seeking a diversified portfolio offering the opportunity for capital growth while also providing current income.

Europacific Growth Fund

This fund, a registered investment company, is managed by the Capital Research and Management Company and invests in stocks of companies outside of the United States. Its performance will fluctuate with the value of the foreign exchange markets and the underlying stocks.

Viacom Inc. Common Stock Fund

This fund invests in shares of Viacom Inc. Class B Common Stock.

Growth and Income

George Putnam Fund of Boston

This fund seeks to provide a balanced investment composed of a well-diversified portfolio of stocks and bonds that will produce both capital growth and current income.

Putnam Fund for Growth and Income

This fund seeks capital growth and current income. The fund is designed for investors seeking long-term growth of capital from a portfolio primarily consisting of attractively priced stocks, offering the opportunity for capital growth while also providing current income.

Income

Putnam Income Fund

This fund seeks high current income consistent with what the Trustee believes to be prudent risk. This fund invests in a variety of bonds, including corporate bonds from creditworthy companies.

VIACOM INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

Capital Preservation

Certus Interest Income Fund

This fund is managed by Certus Financial Corporation and seeks to preserve principal and minimize market volatility while offering a competitive and predictable rate of return. This fund invests in guaranteed investment contracts and synthetic investment contracts. Synthetic investment contracts consist of benefit responsive wrapper contracts backed by investments which are held in the trust and owned by the Plan.

Each of the funds, except for the Certus Interest Income Fund, the Europacific Growth Fund and the Viacom Inc. Common Stock Fund are registered investment companies managed by Putnam Management Company, Inc. and, therefore, are identified as parties-in-interest. The Viacom Inc. Common Stock Fund is also identified as a party-in-interest as it invests in shares of Viacom Inc. Class B Common Stock.

Investment elections are required to be in multiples of 5% of the amount contributed and can be changed at any time. The Plan is intended to meet the requirements of ERISA Section 404(c). Thus, to the extent participants exercise control over the investment of contributions, neither the Plan nor any other Plan fiduciary will be responsible for any losses which may occur.

Effective January 1, 1994, the Company and certain affiliated companies entered into a master trust agreement (the "Master Trust") with the Trustee to combine certain investments of the Plan, affiliated companies' plans, and, effective October 1, 1995, a separate Collective Bargaining Plan (the "CBP"). The Master Trust currently holds assets for the Plan and the CBP Plan. The Master Trust assets are managed by Certus. However, the Trustee records the activity of each plan separately in order to distinguish the specific assets available to each plan. Net investment assets and net investment earnings on the investments of the Master Trust are allocated daily to the plans participating in the Master Trust. Such allocation is based on the ratio of net investment assets of each of the participating plans to total net investment at the time the Master Trust was formed, adjusted for any contributions or disbursements attributable to specific participating plans. Note 8 sets forth the Plan's proportionate interest in the Master Trust, and certain financial information of the Master Trust.

Employer matching contributions are currently invested entirely in Viacom Inc. Class B Common Stock.

Loans to Participants

The Loan Fund is a separate fund established solely for the purpose of administering loans to participants. Participants are eligible to receive loans based on their account balances. The maximum loan available to a participant is 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 established on the first day of the calendar quarter at a rate of 1% above the prime commercial rate. Effective January 1, 1996, only one loan may be outstanding at one time. Participants may elect repayment periods from twelve to sixty months through payroll deductions commencing as soon as administratively possible following the distribution

VIACOM INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

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 principle residence. Transfers of participant balances for loan disbursements and repayments of loan principal and interest to the Loan Fund are specifically identified in the respective participants' accounts within each fund.

Contributions

The Plan permits participants to contribute up to 15% of annual compensation on a before-tax, after-tax or combination basis, subject to the Internal Revenue Code ("IRC") limitations set forth below. The employer's matching contribution is equal to (i) 50% of the first 6% of annual compensation that is contributed on a before-tax basis if base pay is \$65,000 or less at a specified date or (ii) 50% of the first 5% of annual compensation contributed on a before tax basis if base pay is greater than \$65,000.

A new Plan participant is permitted to rollover into the Plan part or all of distributions from an individual retirement account, individual retirement annuity or another qualified plan.

The IRC limits the amount of annual participant contributions that can be made on a before-tax basis; the limit was \$10,000 and \$9,500 for 1998 and 1997, respectively. Total compensation considered under the plan, based on IRC limits, may not exceed \$160,000 for 1998 and 1997. The IRC also contains an annual limit on aggregate participant and employer contributions to defined contribution plans equal to the lesser of \$30,000 or 25% of compensation. All contributions made to the Plan on an annual basis may be further limited due to certain non-discrimination tests prescribed by the IRC.

Vesting

Participants in the Plan are immediately vested in their own contributions and earnings thereon. After January 1, 1996, the employer's matching contribution will vest at 20% per year of service, becoming fully vested after five years of service. Employees who on December 31, 1995 were participants in the Plan, or other defined contribution plans which were merged with and into the Plan effective January 1, 1996, will be covered by the vesting schedules in effect at that time if they are more favorable. If participants terminate employment prior to being vested in their employer matching contributions and receive a distribution of the vested portion of their account, the non-vested portion of their account is forfeited and used to pay administrative expenses and to fund future employer matching contributions. Employer matching contributions of \$1,138,762 and \$785,420 during the years ended December 31, 1998 and December 31, 1997, respectively, were forfeited by terminating employees before those amounts became vested.

VIACOM INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

Distributions and Withdrawals

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

Participants in the Plan, or their beneficiaries, may receive their 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 70 1/2 even if they are still employed.

Participants who have been in the Plan or affiliated plans at least five years may elect to withdraw up to 100% of their employer matching contribution account and earnings thereon, while those who have participated less than five years are limited to withdrawing vested employer matching contributions made at least two years prior to the withdrawal including earnings thereon. In addition, participants in the Plan may receive part or all of their after-tax and rollover contributions. Upon attainment of age 59 1/2, participants may withdraw all or part of their before-tax contributions and earnings thereon. All of the above withdrawal elections are subject to a provision that a participant can make only one such request during each calendar year.

A participant may obtain a hardship withdrawal of vested portion of employer matching contributions and before-tax contributions (including the pre-1989 earnings thereon) provided that the requirements for hardship are met. There is no restriction on the number of hardship withdrawals permitted.

Plan Expenses

The Company pays for expenses incurred in connection with the administration of the Plan and the investment of Plan assets, to the extent not covered by forfeitures.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Method

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 are reported at fair value based on the quoted market price of the stock on the American Stock Exchange, Inc. Investments with registered investment companies are reported at fair value based upon the market value of the underlying securities as priced by national security exchanges. Guaranteed investment income contracts and synthetic investment contracts held by the Master Trust are reported at contract value. Participant loans consist of the outstanding principal of loans to Plan participants at December 31, 1998 and 1997. The loans outstanding as of December 31, 1998 and 1997 carry interest rates ranging from 6.5% to 12.5%. Cash and cash equivalents are valued at cost plus accrued interest, which approximate market value. Interest income is accrued as earned and dividend income is recorded on the ex-dividend date.

VIACOM INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

Security Transactions

Purchases and sales of securities are recorded on the trade date. The historical 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 generally accepted accounting principles 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 - SUBSEQUENT EVENTS

Effective May 1, 1999, the Plan participants from Blockbuster Inc. ("Blockbuster Participants"), a subsidiary of the Company, became covered by the Blockbuster Investment Plan, a defined contribution 401(k) plan sponsored by Blockbuster Inc. On April 30, 1999, the Plan's account balances of all Blockbuster Participants were transferred to the Blockbuster Investment Plan. Generally, the terms of the Blockbuster Plan are similar to those of the Plan.

On April 8, 1999, Viacom Inc. moved the listing of its stock to the New York Stock Exchange from the American Stock Exchange, Inc.

On February 25, 1999, the Board of Directors of Viacom Inc. declared a 2-for-1 common stock split, effected in the form of a dividend. The additional shares were issued on March 31, 1999 to shareholders of record on March 15, 1999. All common share and per share amounts have been adjusted to reflect the stock split for all periods presented.

VIACOM INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 4 - INVESTMENTS

Individual investments that represent greater than 5% of net assets available for benefits are identified below:

	December 31,	
	----- 1998	1997 -----
	----	----
Viacom Inc. Class B Common Stock.....	\$185,784,356	\$173,098,699
Putnam Voyager Fund.....	111,423,581	123,864,587
Plan's interest in Master Trust.....	92,315,381	88,386,734
Putnam Fund for Growth and Income.....	64,456,221	86,556,539
Putnam Investors Fund.....	66,158,631	67,246,352

During 1998 and 1997 the Plan's investments (including investments bought, sold and held during the year) appreciated (depreciated), as follows:

	Year Ended December 31,	
	----- 1998	1997 -----
	----	----
Putnam Voyager Fund.....	\$ 16,539,790	\$ 19,762,227
Putnam Vista Fund.....	323,617	748,941
Putnam Fund for Growth and Income.....	3,489,421	5,801,340
Putnam U.S. Government Income Trust.....	3,802	38,504
Europacific Growth Fund.....	2,103,495	(76,754)
George Putnam Fund of Boston.....	(53,804)	2,452,942
Putnam Investors Fund.....	20,518,683	10,582,763
Putnam S&P 500 Index Fund.....	2,807,179	385,476
Putnam Income Fund.....	(704,081)	400,588
Viacom Inc. Common Stock.....	132,475,225	29,769,420
	-----	-----
Net appreciation .....	\$177,503,327	\$ 69,865,447
	=====	=====

VIACOM INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

The Plan uses daily valuations and assigns units to participants within each of the respective funds. Total units, net asset value per unit and total net assets available for benefits in each fund were as follows:

Fund -----	Total Units -----	Net Assets Available for Benefits per Unit ----	Total Net Assets Available for Benefits -----
At December 31, 1998:			
-----			
Participant Directed:			
Putnam Voyager Fund .....	5,001,058	22.33	\$111,654,223
Putnam Vista Fund .....	254,195	13.24	3,365,548
Putnam Fund for Growth and Income ....	3,141,141	20.56	64,582,919
Putnam U. S. Government Income Trust..	92,928	13.12	1,219,221
Certus Interest Income Fund .....	56,643,791	1.00	56,643,791
Putnam Money Market Fund .....	354,016	1.00	354,016
Europacific Growth Fund .....	772,889	28.49	22,022,407
George Putnam Fund of Boston .....	994,168	18.14	18,038,474
Putnam Investors Fund .....	4,452,128	14.89	66,297,066
Putnam S&P 500 Index Fund .....	365,092	29.13	10,634,576
Putnam Income Fund .....	2,206,849	6.95	15,337,093
Viacom Inc. Common Stock Fund .....	1,115,883	37.31	41,628,886
Loan Fund .....	--	--	13,411,656
Non-Participant Directed:			
Viacom Inc. Common Stock Fund .....	4,245,370	37.15	157,731,619
			-----
			\$582,921,495
			=====
At December 31, 1997:			
-----			
Participant Directed:			
Putnam Voyager Fund .....	6,421,181	19.34	\$124,193,615
Putnam Vista Fund .....	300,378	11.98	3,598,512
Putnam Fund for Growth and Income ....	4,425,181	19.60	86,752,687
Putnam U. S. Government Income Trust..	106,491	13.08	1,392,901
Certus Interest Income Fund .....	88,479,921	1.00	88,479,921
Putnam Money Market Fund .....	420,028	1.00	420,028
Europacific Growth Fund .....	1,042,612	26.12	27,237,315
George Putnam Fund of Boston .....	1,631,298	18.05	29,444,731
Putnam Investors Fund .....	5,982,771	11.27	67,425,822
Putnam S&P 500 Index Fund .....	333,715	22.70	7,576,010
Putnam Income Fund .....	3,753,886	7.13	26,782,236
Viacom Inc. Common Stock Fund .....	1,786,014	20.96	37,429,989
Loan Fund .....	--	--	18,777,374
Non-Participant Directed:			
Viacom Inc. Common Stock Fund .....	6,958,995	20.93	145,628,926
			-----
			\$665,140,067
			=====

VIACOM INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 5 - 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:

	December 31,	
	1998	1997
	-----	-----
Net assets available for benefits per the financial statements .....	\$ 582,921,495	\$ 665,140,067
Amounts allocated to withdrawing participants .....	(826,511)	(3,626,021)
	-----	-----
Net assets available for benefits per the Form 5500 .....	\$ 582,094,984	\$ 661,514,046
	=====	=====

The following is a reconciliation of benefits paid to participants per the financial statements to the Form 5500 for the year ended December 31, 1998:

Benefits paid to participants per the financial statements .....	\$ 92,943,544
Add: Amounts allocated to withdrawing participants	
at December 31, 1998 .....	826,511
Less: Amounts allocated to withdrawing participants	
at December 31, 1997 .....	(3,626,021)
	-----
Benefits paid to participants per the Form 5500 .....	\$ 90,144,034
	=====

Amounts allocated to withdrawing participants are recorded on the Form 5500 for benefit claims that have been processed and approved for payment prior to December 31, 1998 but are not paid as of that date.

NOTE 6 - INCOME TAX STATUS

The Plan, as amended through January 1, 1998, received a favorable determination letter from the Internal Revenue Service, dated January 22, 1998, with respect to the qualified status of the Plan under Section 401(a) of the IRC and is, therefore, exempt from federal income taxes under the provisions of Section 501(a) of the IRC. The Plan has been amended since receipt of the determination letter. However the Company and the Company's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

NOTE 7 - TERMINATION PRIORITIES

In the event that the Plan is terminated, subject to conditions set forth in ERISA, the Plan provides that the net assets of the Plan be distributed to participants in proportion to their respective vested interests in such net assets at that date.

VIACOM INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 8 - INVESTMENT IN MASTER TRUST

The value of the Plan's interest in the total investments of the Master Trust was 99.4% at December 31, 1998 and 1997, and the allocated share of investment income was 99.4% and 99.1% for the respective years then ended.

The following table presents the fair value of investments of the Master Trust:

	December 31,	
	1998	1997
Guaranteed investment contracts .....	\$ 54,001,585	\$ 41,304,438
Synthetic investment contracts .....	22,521,317	41,580,832
Putnam short-term investment fund .....	16,355,305	6,049,215
Payable to other plan .....	(35,742,504)	--
Net Investments in Master Trust .....	<u>\$ 57,135,703</u>	<u>\$ 88,934,485</u>

Investment income of the Master Trust is as follows:

	Year ended December 31,	
	1998	1997
Guaranteed investment contracts .....	\$ 3,570,814	\$ 2,092,953
Synthetic investment contracts .....	1,566,581	3,086,620
Putnam short-term investment fund .....	446,025	560,118
Investment manager fees .....	(89,454)	(97,518)
Net Investment Income .....	<u>\$ 5,493,966</u>	<u>\$ 5,642,173</u>

The guaranteed investment contracts and synthetic investment contracts are fully benefit-responsive and are therefore presented in the financial statements 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, 1998 and 1997, the fair value of such assets in the aggregate was \$94,226,538 and \$90,618,702 respectively, with an average yield of 6.31% and 6.42%, respectively. The return on assets for the year ended December 31, 1998 and 1997 was 6.46% and 6.61%, respectively. The synthetic investment contract interest rates are evaluated on a quarterly basis and may be reset when the expected cash flow characteristics of the underlying security change.

On January 27, 1999, as a result of the sale of Non-Consumer Publishing to Pearson plc described in Note 1, the Plan transferred the assets held in the Master Trust for the participants of Non-Consumer Publishing totaling \$35,851,372 to a qualified plan sponsored by Pearson plc, including investment income earned subsequent to year end through the transfer date.

SCHEDULE I

VIACOM INVESTMENT PLAN  
 LINE 27a - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES  
 DECEMBER 31, 1998  
 -----

(a)	(b) Identity of issue, borrowing lessor or similar party -----	(c) Unit/ Principal Amount/Shares/ Maturity and Interest Rates -----	(d) Cost of Acquisitions -----	(e) Current Value -----
	Registered Investment Companies:			
*	Putnam Voyager Fund.....	5,001,058	\$101,537,028	\$111,423,581
*	Putnam Vista Fund.....	254,195	3,225,014	3,365,548
*	Putnam Fund for Growth and Income.....	3,141,141	66,779,418	64,456,221
*	Putnam U.S. Government Income Trust.....	92,928	1,203,388	1,219,221
*	Putnam Money Market Trust.....	354,016	354,016	354,016
*	Europacific Growth Fund.....	772,889	20,127,564	21,950,038
*	George Putnam Fund of Boston.....	994,168	18,641,219	17,974,563
*	Putnam Investors Fund.....	4,452,128	54,287,082	66,158,631
*	Putnam S&P 500 Index Fund.....	365,092	8,753,877	10,562,118
*	Putnam Income Fund.....	2,206,849	15,655,468	15,293,462
	Common Stock Fund:			
*	Viacom Inc. Class A Common Stock.....	337,830	5,054,640	12,425,813
*	Viacom Inc. Class B Common Stock.....	5,021,200	96,250,185	185,784,356
	Investments in Other.....	2,223	202,297	606,828
	Plan's interest in Master Trust:			
	Certus Interest Income Fund.....	92,315,381	92,315,381	92,315,381
*	Loans to participants.....	Various maturities and interest rates		13,379,773 -----
	Total investments.....			\$617,269,550 =====

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

## Schedule II

## VIACOM INVESTMENT PLAN

LINE 27d - SCHEDULE OF REPORTABLE TRANSACTIONS  
YEAR ENDED DECEMBER 31, 1998  
-----

Identity of Party Involved	Description of Asset	Purchase Price	Selling Price	Lease Rental	Expenses Incurred with Transaction	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain (Loss)
-----	-----	-----	-----	-----	-----	-----	-----	-----
Single Transactions:								
Viacom Inc. Class B.....	2,991,260 units		\$101,889,791	N/A	N/A	\$56,486,009	\$101,889,791	\$45,403,782
Putnam Voyager Fund.....	1,670,462 units		\$34,444,918	N/A	N/A	\$33,949,203	\$34,444,918	\$495,715
Series Transactions:								
Putnam Voyager Fund.....	1,595,340 units	\$33,301,245		N/A	N/A		\$33,301,245	
	3,015,823 units		\$62,248,241	N/A	N/A	\$61,143,517	\$62,248,241	\$1,104,724
Putnam Fund for Growth & Income.....	1,202,401 units	\$24,734,239		N/A	N/A		\$24,734,239	
	2,486,725 units		\$50,320,901	N/A	N/A	\$52,939,145	\$50,320,901	(\$2,618,244)
Putnam Investors Fund.....	1,733,765 units	\$22,618,426		N/A	N/A		\$22,618,426	
	3,264,720 units		\$44,223,160	N/A	N/A	\$39,858,077	\$44,223,160	\$4,365,083

Schedule II

VIACOM INVESTMENT PLAN

LINE 27d - SCHEDULE OF REPORTABLE TRANSACTIONS (continued)  
YEAR ENDED DECEMBER 31, 1998

Identity of Party Involved	Description of Asset	Purchase Price	Selling Price	Lease Rental	Expenses Incurred with Transaction	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain (Loss)
Series Transactions (continued):								
Viacom Inc. Class B.....	1,305,320 units	\$35,947,420		N/A	N/A		\$35,947,420	
	4,638,954 units		\$149,219,871	N/A	N/A	\$89,667,764	\$149,219,871	\$59,552,107

The above transactions and series of transactions are in excess of 5 percent of the current value of the Plan's assets as of December 31, 1997 as defined in section 2520.103-6 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA.

All of the above are parties-in-interest.

Exhibit I

Consent of Independent Accountants

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-42987, 333-34125, Nos. 33-41934, 33-56088, 33-59049, 33-59141, 33-55173, 33-55709 and 33-60943) of Viacom Inc. of our report dated June 28, 1999, included in part (a) of this Form 11-K as listed in the accompanying index.

PricewaterhouseCoopers LLP

New York, New York  
June 28, 1999