

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 8, 2005

VIACOM INC.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	001-09553 (Commission File Number)	04-2949533 (IRS Employer Identification Number)
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1515 Broadway, New York, NY (Address of principal executive offices)	10036 (Zip Code)
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(212) 258-6000
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2.):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 1 - Registrant's Business and Operations

Item 1.01 Entry into a Material Definitive Agreement.

As previously announced in the Company's report on Form 8-K dated February 1, 2005, Richard J. Bressler, Senior Executive Vice President and Chief Financial Officer, has notified the Company that he will not renew his contract which expires in March 2006. On February 8, 2005, the Company and Mr. Bressler entered into a letter agreement, dated as of January 31, 2005 (the "Amendment"), confirming certain terms sets forth in Mr. Bressler's existing employment agreement with the Company dated March 22, 2001 (the "Employment Agreement"), which was previously filed, and modifying certain terms.

The Amendment provides that Mr. Bressler will resign his position with the Company on the date his successor is retained by the Company or such earlier date as requested by the Company, but in no event later than June 30, 2005 (the earliest of such dates to occur being the "Resignation Date"). Under the terms of the Amendment, Mr. Bressler will receive the contractual payments, benefits and perquisites due upon a termination of employment for "Good Reason" under the Employment Agreement, as modified by the Amendment, including: (i) salary for the period from the Resignation Date through December 31, 2005 which will be paid in accordance with the Company's payroll practices and salary for the period from January 1, 2006 until July 31, 2006 which will be paid in a lump sum on or before December 31, 2005; (ii) payment of deferred compensation for the period from January 1, 2005 through the Resignation Date, as well as for prior years, which will be paid by January 31, 2006 and deferred compensation for the

period from the Resignation Date until July 31, 2006 which will be paid in a lump sum on or before December 31, 2005; (iii) bonus compensation for the period from January 1, 2005 through the later of April 30, 2005 or the Resignation Date pro-rated and payable at the annual rate of \$5.5 million and bonus compensation from the later of April 30, 2005 or the Resignation Date through March 21, 2006 pro-rated and payable at the target bonus annual rate of \$2.5 million, in each case to be paid in a lump sum on or before December 31, 2005; and (iv) all unvested stock options will vest and become exercisable as of the Resignation Date and all outstanding stock options will be exercisable until March 21, 2007.

The Amendment provides that deferred compensation attributable to the period after the one-year anniversary of the Resignation Date through July 31, 2006 will be held in escrow in accordance with the terms of an escrow agreement entered into in connection with mitigation provisions of the Employment Agreement. The Amendment also provides that bonus compensation for 2004 in the amount of \$5.5 million will be payable on or before February 16, 2005 and terminates Mr. Bressler's non-competition obligations on the Resignation Date. In connection with the Amendment, Mr. Bressler entered into a general release of claims.

The foregoing description of the terms of the Amendment is qualified in its entirety by reference to the Amendment which is attached hereto as Exhibit 10.1 and incorporated herein by reference. A copy of the Employment Agreement was filed with the Securities and Exchange Commission as Exhibit 10(q) to the Company's Form 10-K for the year ending December 31, 2001.

Section 9 - Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

Exhibit Number	Description of Exhibit
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10.1	Letter Agreement, dated as of January 31, 2005, amending the Agreement dated March 22, 2001 between Viacom Inc. and Richard J. Bressler.

SIGNATURE

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

VIACOM INC.
(Registrant)

By: /s/ MICHAEL D. FRICKLAS

Michael D. Fricklas
Executive Vice President, General Counsel
and Secretary

Date: February 11, 2005

Exhibit Index

Exhibit Number

10.1

Description of Exhibit

Letter Agreement, dated as of January 31, 2005,
amending the Agreement dated March 22, 2001
between Viacom Inc. and Richard J. Bressler.

[VIACOM LETTERHEAD]

As of January 31, 2005

Richard J. Bressler
c/o Viacom Inc.
1515 Broadway
New York, New York

Dear Richard:

This letter expresses our understanding concerning your departure from your position with Viacom Inc. ("Viacom" or the "Company"). Reference is made to your employment agreement with Viacom, dated March 22, 2001 (your "Employment Agreement"). Defined terms used without definitions in this letter agreement will have the meanings provided in your Employment Agreement.

1. Resignation from Executive Position. You will resign from your position as Senior Executive Vice President, Chief Financial Officer of Viacom for Good Reason on the date on which your successor is retained or such earlier date as shall be requested by the Company but not later than June 30, 2005 (the earlier of such dates being your "Resignation Date").
2. Contractual Payments, Benefits and Perquisites. After your Resignation Date, you will receive the contractual payments, benefits and perquisites due upon a termination of employment for Good Reason under your Employment Agreement, as amended by the provisions of this letter agreement, as set forth below.
 - o Salary for the period from your Resignation Date through December 31, 2005 will be paid in accordance with Viacom's payroll practices. Salary for the period from January 1, 2006 through the one year anniversary of your Resignation Date will be paid to you in a lump sum on or before December 31, 2005. Salary for the period from the one year anniversary of your Resignation Date through July 31, 2006 will be paid to you in a lump sum on or before December 31, 2005 but will be remitted to your attorneys, Schulte Roth & Zabel LLP, to be held in escrow in accordance with the attached escrow agreement (the "Escrow Agreement").
 - o Payment of Deferred Compensation for the period from January 1, 2005 through your Resignation Date and for prior years (together with the return thereon as provided in paragraph 3(c) in your Employment Agreement) will be paid, as provided in your Employment Agreement, by January 31, 2006. Deferred Compensation for the period from your Resignation Date through December 31, 2005 will be deferred in accordance with paragraph 3(c) of your Employment Agreement and paid (together with the return

Richard J. Bressler
As of January 31, 2005
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thereon as provided in paragraph 3(c) in your Employment Agreement) on or before December 31, 2005. Payment of Deferred Compensation for the period from January 1, 2006 through the one year anniversary of your Resignation Date will be paid to you in a lump sum on or before December 31, 2005. Deferred Compensation for the period from the one year anniversary of your Resignation Date through July 31, 2006 will be paid to you in a lump sum on or before December 31, 2005 but will be remitted to your attorneys, Schulte Roth & Zabel LLP, to be held in escrow in accordance with the Escrow Agreement.

- o Car allowance for the period from your Resignation Date through December 31, 2005 will be paid in accordance with Viacom's payroll practices. Car allowance for the period from January 1, 2006 through March 21, 2006 will be paid to you in a lump sum on or before December 31, 2005. You will receive car insurance for the period from your Resignation Date through December 31, 2005.
- o Bonus compensation for the period from January 1, 2005 through the

later of April 30, 2005 or your Resignation Date will be pro-rated and payable at the annual rate of \$5.5 million. Bonus compensation for the period from the later of April 30, 2005 or your Resignation Date through March 21, 2006 will be pro-rated and payable at your annual Target Bonus rate of \$2.5 million. Bonus compensation for the entire period from January 1, 2005 through March 21, 2006 will be paid to you in a lump sum on or before December 31, 2005.

- o You will receive continued coverage under Viacom's group term life insurance policy in the amount of \$5 million (convertible to an individual policy at your own expense thereafter) through December 31, 2005.
- o You will receive coverage under Viacom's medical and dental insurance under COBRA during the period from your Resignation Date, as provided in paragraph 8(d)(vi) in your Employment Agreement, through December 31, 2005 (with a right to continue at your own expense thereafter in accordance with COBRA).
- o You are entitled to have provided to you an appropriate office and secretarial assistance during the period beginning on your Resignation Date and ending on December 31, 2005 or, if earlier, the date on which you obtain other employment. The secretarial assistance will be provided by your current assistant, Maria Ayala, provided she has not terminated her employment with the Company.

You will not be required to mitigate compensation paid pursuant to this paragraph 2 except that Salary and Deferred Compensation payable for the period from the one year anniversary of your Resignation Date through July 31, 2006 will be subject to mitigation as provided in paragraph 8(e) in your Employment Agreement.

3. Stock Options. All unvested LTMIP stock options will vest and become exercisable in accordance with their terms on your Resignation Date, and you will have one year after the end of your employment term (specifically, until March 21, 2007) to exercise outstanding stock options (but not, in any case, beyond the options' expiration date).
4. Restrictive Covenants. Your non-competition obligations under paragraph 6(a) in your Employment Agreement will terminate on your Resignation Date. Your obligations under paragraphs 6(b) through 6(h) in your Employment Agreement, and Viacom's obligations under paragraph 6(h), will remain in effect for the periods of time provided in such paragraphs after your termination of employment. Viacom may enforce those obligations through injunctive relief as provided in paragraph 6(i) in your Employment Agreement. Viacom hereby waives the application of paragraph 6(c) in your Employment Agreement (relating to non-solicitation of employees) to your current assistant, Maria Ayala.
5. 2004 Bonus Compensation. You will receive bonus compensation for 2004 in the amount of \$5.5 million, payable by February 10, 2005 (or such later date which is eight days after you execute this letter agreement and the general release attached hereto).
6. Disability. In the event of your Disability prior to your Resignation Date, you will be entitled to payment of all amounts due under this letter agreement through the date of Disability. Thereafter, you will be entitled to receive compensation and benefits as provided in paragraph 7 in your Employment Agreement except as set forth below with respect to your LTMIP stock options. In the event that you recover and are no longer "disabled" within the meaning of Viacom's STD and LTD programs before December 31, 2005, your employment will be terminated and you will thereafter receive the compensation, benefits and perquisites provided in this letter agreement for the balance of the period for which such compensation, benefits and perquisites are provided. In the event that you receive benefits under the LTD program, all unvested LTMIP stock options will immediately vest and, together with all outstanding LTMIP stock options that had already vested, will be exercisable until the third anniversary of the date on which LTD benefits commence.
7. Death. In the event of your death prior to December 31, 2005, your beneficiary or estate will be entitled to the following:
 - o payment of Salary, Deferred Compensation, car allowance and bonus compensation due or payable under this letter agreement with respect to the period through the date of death;
 - o the proceeds available under the Company provided life insurance in accordance with its terms; and
 - o continued coverage under COBRA at their expense under Viacom's medical and dental insurance plans for the balance of the period required by law.

In the event of your death before your Resignation Date, all unvested LTMIP stock options will immediately vest and, together with all outstanding LTMIP stock options that had already vested, will be exercisable until the second anniversary of the date of death. Except as

provided in this paragraph 7, Viacom will not have any further obligation to provide compensation, benefits or perquisites after the date of death; the foregoing is without prejudice to the right of your beneficiary or estate to have all rights expressly provided to them under all other Viacom benefit plans and programs.

8. Amendment to Employment Agreement. Your Employment Agreement will be amended as provided in this letter agreement. Except as so amended, all other terms and conditions in your Employment Agreement will remain the same and your Employment Agreement, as amended by this letter agreement, will remain in full force and effect and Viacom and you will have the rights and obligations set forth in your Employment Agreement.

9. Miscellaneous. For the avoidance of doubt, it is agreed that until the Resignation Date you shall continue to receive all compensation, benefits and perquisites provided under your Employment Agreement. If your Resignation Date occurs before June 30, 2005, Viacom will provide you with ten days' prior notice before you are required to vacate your current office space. In consideration of your resignation for Good Reason and the terms of this letter agreement, a written notice of Viacom's intention to not renew the Term of your Employment Agreement is waived. All amounts payable, and benefits and perquisites provided, under this letter agreement and your Employment Agreement will be made less applicable deductions and subject to applicable withholdings as may be required by applicable law. The payments and benefits to be provided by Viacom pursuant to this letter agreement and your Employment Agreement constitute liquidated damages and will be deemed to satisfy and be in full and final settlement of all obligations of Viacom to you under this letter agreement, your Employment Agreement and under any Viacom severance or income continuation plan. This letter agreement and your Employment Agreement contain the entire understanding of the parties hereto relating to the subject matter contained herein. Notwithstanding anything in this letter agreement to the contrary, the provisions of paragraph 8(f) in your Employment Agreement shall apply and, except as otherwise specifically provided in this letter agreement, your participation in all Viacom benefit plans and programs shall terminate on your Resignation Date (including, without limitation, Viacom's 401(k) and pension plans and LTD) and you shall continue to have all rights expressly provided in all Viacom benefit plans and programs and subject to any vested rights you may have under the terms of such plans or programs. The foregoing does not apply to your LTMIP stock options which shall be governed by paragraph 3 above and, in the event of your Disability or death, paragraphs 6 and 7 above, and the provisions of the LTMIP and the certificates for such stock option awards.

If the foregoing correctly sets forth our understanding, please sign, date and return all four copies of this letter agreement to the undersigned for execution on behalf of Viacom. After (i) this letter agreement has been executed by Viacom and a fully executed copy returned to you, (ii) Viacom, you and your attorneys, Schulte Roth & Zabel LLP, have executed the Escrow Agreement, and (iii) you have executed and delivered to Viacom a general release (other than for claims under this letter agreement, or rights under any and all Viacom benefit plans and programs in accordance with the terms of such plans or programs) on the attached form (and not revoked the release within seven days), this letter agreement will constitute a binding amendment to your Employment Agreement and a binding agreement between us.

Very truly yours,

VIACOM INC.

By: /s/ William A. Roskin

Name: William A. Roskin
Title: Executive Vice President,
Human Resources and
Administration

ACCEPTED AND AGREED:

/s/ Richard J. Bressler

Richard J. Bressler

Dated: /s/ 2/8/05
