

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14D-1
TENDER OFFER STATEMENT
(AMENDMENT NO. 34)
PURSUANT TO SECTION 14(D)(1) OF THE
SECURITIES EXCHANGE ACT OF 1934 AND
SCHEDULE 13D
(AMENDMENT NO. 35)
UNDER THE SECURITIES EXCHANGE ACT OF 1934

PARAMOUNT COMMUNICATIONS INC.
(Name of Subject Company)

VIACOM INC.
NATIONAL AMUSEMENTS, INC.
SUMNER M. REDSTONE
BLOCKBUSTER ENTERTAINMENT CORPORATION
(Bidder)

COMMON STOCK, \$1.00 PAR VALUE
(Title of Class of Securities)

699216 10 7
(CUSIP Number of Class of Securities)

PHILIPPE P. DAUMAN, ESQ.
VIACOM INC.
1515 BROADWAY
NEW YORK, NEW YORK 10036
TELEPHONE: (212) 258-6000
(Name, Address and Telephone Number of Person Authorized to
Receive Notices and Communications on Behalf of Bidder)

COPIES TO:

STEPHEN R. VOLK, ESQ.
SHEARMAN & STERLING
599 LEXINGTON AVENUE
NEW YORK, NEW YORK 10022
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MEAGHER & FLOM
919 THIRD AVENUE
NEW YORK, NEW YORK 10022
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Page 1 of Pages
Exhibit Index on Page

This Amendment No. 34 to the Tender Offer Statement on Schedule 14D-1 and Amendment No. 35 to Schedule 13D (the "Statement") relates to the offer by Viacom Inc., a Delaware corporation ("Purchaser"), to purchase shares of Common Stock, par value \$1.00 per share (the "Shares"), of Paramount Communications Inc., a Delaware corporation (the "Company"), at a price of \$107 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in Purchaser's Offer to Purchase dated October 25, 1993 (the "Offer to Purchase"), a copy of which was attached as Exhibit (a)(1) to Amendment No. 1, filed with the Securities and Exchange Commission (the "Commission") on October 26, 1993, to the Tender Offer Statement on Schedule 14D-1 filed with the Commission on October 25, 1993 (the "Schedule 14D-1"), as supplemented by the Supplement thereto dated November 8, 1993 (the "First Supplement"), the Second Supplement thereto dated January 7, 1994 (the "Second Supplement"), the Third Supplement thereto dated January 18, 1994 (the "Third Supplement") and the Fourth Supplement thereto dated February 1, 1994 (the "Fourth Supplement") and in the related Letters of Transmittal.

Capitalized terms used but not defined herein have the meanings assigned to such terms in the Offer to Purchase, the First Supplement, the Second Supplement, the Third Supplement, the Fourth Supplement and the Schedule 14D-1.

ITEM 1. SECURITY AND SUBJECT COMPANY.

Item 1(b) is hereby amended and supplemented by reference to the Introduction and Section 1 of the Fourth Supplement, which Introduction and Section are incorporated herein by reference.

Item 1(c) is hereby amended and supplemented by

reference to Section 2 of the Fourth Supplement, which Section is incorporated herein by reference.

ITEM 3. PAST CONTACTS, TRANSACTIONS OR NEGOTIATIONS WITH THE SUBJECT COMPANY.

Item 3(b) is hereby amended and supplemented by reference to Section 4 of the Fourth Supplement, which Section is incorporated herein by reference.

ITEM 4. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

Items 4(a) and 4(b) are hereby amended and supplemented by reference to Section 3 of the Fourth Supplement, which Section is incorporated herein by reference.

ITEM 5. PURPOSE OF THE TENDER OFFER AND PLANS OR PROPOSALS OF THE BIDDER.

Item 5 is hereby amended and supplemented by reference to the Introduction, Section 4, Annex I and Annex II to the Fourth Supplement, which Introduction, Section and Annexes are incorporated herein by reference.

ITEM 7. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO THE SUBJECT COMPANY'S SECURITIES.

Item 7(a) is hereby amended and supplemented by reference to the Introduction and Section 4 of the Fourth Supplement, which Introduction and Section are incorporated herein by reference.

ITEM 9. FINANCIAL STATEMENTS OF CERTAIN BIDDERS.

Item 9 is hereby amended and supplemented by reference to Section 6 of the Fourth Supplement, which Section is incorporated herein by reference.

ITEM 11. MATERIAL TO BE FILED AS EXHIBITS.

Item 11 is hereby amended and supplemented to add the following Exhibits:

- 99(a)(74) Form of Fourth Supplement to Offer to Purchase dated February 1, 1994
- 99(a)(75) Form of Revised Letter of Transmittal
- 99(a)(76) Form of Revised Notice of Guaranteed Delivery
- 99(a)(77) Form of Revised Letter from Smith Barney Shearson Inc. to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees
- 99(a)(78) Form of Revised Letter from Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees to Clients
- 99(a)(79) Form of Revised Letter to Participants in the Dividend Reinvestment Plan of the Company
- 99(a)(80) Press Release issued by Purchaser on February 1, 1994
- 99(a)(81) Letter, dated February 1, 1994, from Purchaser to the Paramount Board

SIGNATURE

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.

February 1, 1994

VIACOM INC.

By /s/ PHILIPPE P. DAUMAN
.....

Philippe P. Dauman
Senior Vice President, General
Counsel and Secretary

*

.....

Sumner M. Redstone,
Individually

NATIONAL AMUSEMENTS, INC.

By *
.....

Sumner M. Redstone
Chairman, Chief Executive
Officer and President

*By /s/ PHILIPPE P. DAUMAN
.....

Philippe P. Dauman
Attorney-in-Fact under Powers
of Attorney filed as Exhibit (a)(36)
to the Schedule 14D-1

SIGNATURE

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.

February 1, 1994

BLOCKBUSTER ENTERTAINMENT CORPORATION

By /s/ STEVEN R. BERRARD
.....

Steven R. Berrard
President and
Chief Operating Officer

EXHIBIT INDEX

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VIACOM INC.
HAS AMENDED ITS OFFER TO PURCHASE FOR CASH
61,657,432 SHARES OF COMMON STOCK
OF

PARAMOUNT COMMUNICATIONS INC.
AT
\$107 NET PER SHARE

THE OFFER HAS BEEN EXTENDED. THE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON MONDAY, FEBRUARY 14, 1994, UNLESS THE OFFER IS FURTHER EXTENDED.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, 61,657,432 SHARES, OR SUCH GREATER NUMBER OF SHARES AS EQUALS 50.1% OF THE SHARES OUTSTANDING PLUS THE SHARES ISSUABLE UPON THE EXERCISE OF THE THEN EXERCISABLE STOCK OPTIONS AS OF THE EXPIRATION OF THE OFFER, BEING VALIDLY TENDERED AND NOT WITHDRAWN PRIOR TO THE EXPIRATION OF THE OFFER. THE OFFER IS ALSO SUBJECT TO OTHER TERMS AND CONDITIONS. SEE SECTION 5 OF THE SECOND SUPPLEMENT TO THE OFFER TO PURCHASE.

IMPORTANT

ANY STOCKHOLDER DESIRING TO TENDER ALL OR ANY PORTION OF SUCH STOCKHOLDER'S SHARES OF COMMON STOCK, PAR VALUE \$1.00 PER SHARE (THE "SHARES"), OF PARAMOUNT COMMUNICATIONS INC. SHOULD EITHER (1) COMPLETE AND SIGN THE (YELLOW) LETTER OF TRANSMITTAL WHICH ACCOMPANIED THE OFFER TO PURCHASE DATED OCTOBER 25, 1993 (THE "OFFER TO PURCHASE"), THE (GREEN) LETTER OF TRANSMITTAL WHICH ACCOMPANIED THE SUPPLEMENT TO THE OFFER TO PURCHASE DATED NOVEMBER 8, 1993 (THE "FIRST SUPPLEMENT"), THE (ORANGE) LETTER OF TRANSMITTAL WHICH ACCOMPANIED THE SECOND SUPPLEMENT TO THE OFFER TO PURCHASE DATED JANUARY 7, 1994 (THE "SECOND SUPPLEMENT"), THE (ORANGE) LETTER OF TRANSMITTAL WHICH ACCOMPANIED THE THIRD SUPPLEMENT TO THE OFFER TO PURCHASE DATED JANUARY 18, 1994 (THE "THIRD SUPPLEMENT") OR THE REVISED (ORANGE) LETTER OF TRANSMITTAL WHICH ACCOMPANIES THIS FOURTH SUPPLEMENT TO THE OFFER TO PURCHASE (THE "FOURTH SUPPLEMENT"; ALL SUCH LETTERS OF TRANSMITTAL REFERRED TO COLLECTIVELY AS THE "LETTERS OF TRANSMITTAL") (OR A FACSIMILE THEREOF) IN ACCORDANCE WITH THE INSTRUCTIONS IN THE LETTERS OF TRANSMITTAL AND MAIL OR DELIVER ONE OF THE LETTERS OF TRANSMITTAL (OR SUCH FACSIMILE) TOGETHER WITH THE CERTIFICATE(S) EVIDENCING TENDERED SHARES, AND ANY OTHER REQUIRED DOCUMENTS, TO THE DEPOSITARY OR TENDER SUCH SHARES PURSUANT TO THE PROCEDURE FOR BOOK-ENTRY TRANSFER SET FORTH IN SECTION 3 OF THE OFFER TO PURCHASE OR (2) REQUIRE SUCH STOCKHOLDER'S BROKER, DEALER, COMMERCIAL BANK, TRUST COMPANY OR OTHER NOMINEE TO EFFECT THE TRANSACTION FOR SUCH STOCKHOLDER. ANY STOCKHOLDER WHOSE SHARES ARE REGISTERED IN THE NAME OF A BROKER, DEALER, COMMERCIAL BANK, TRUST COMPANY OR OTHER NOMINEE MUST CONTACT SUCH BROKER, DEALER, COMMERCIAL BANK, TRUST COMPANY OR OTHER NOMINEE IF SUCH STOCKHOLDER DESIRES TO TENDER SUCH SHARES.

A stockholder who desires to tender Shares and whose certificates evidencing such Shares are not immediately available, or who cannot comply with the procedure for book-entry transfer on a timely basis, may tender such Shares by following the procedure for guaranteed delivery set forth in Section 3 of the Offer to Purchase.

Questions or requests for assistance may be directed to the Information Agent or to the Dealer Manager at their respective addresses and telephone numbers set forth on the back cover of this Fourth Supplement. Additional copies of the Offer to Purchase, the First Supplement, the Second Supplement, the Third Supplement, this Fourth Supplement, the revised (Orange) Letter of Transmittal and the revised (Yellow) Notice of Guaranteed Delivery may also be obtained from the Information Agent or from brokers, dealers, commercial banks or trust companies.

The Dealer Manager for the Offer is:
SMITH BARNEY SHEARSON INC.

February 1, 1994

To the Holders of Common Stock of
PARAMOUNT COMMUNICATIONS INC.:

INTRODUCTION

The following information amends and supplements the Offer to Purchase dated October 25, 1993 (the "Offer to Purchase"), the Supplement thereto dated November 8, 1993 (the "First Supplement"), the Second Supplement thereto dated January 7, 1994 (the "Second Supplement") and the Third Supplement thereto dated January 18, 1994 (the "Third Supplement") of Viacom Inc., a Delaware corporation ("Purchaser"). Pursuant to this Fourth Supplement, Purchaser is offering to purchase 61,657,432 shares of Common Stock, par value \$1.00 per share (the "Shares"), of Paramount Communications Inc., a Delaware corporation (the "Company"), or such greater number of Shares as equals 50.1% of the Shares outstanding plus the Shares issuable upon the exercise of the then exercisable stock options as of the Expiration Date, at a price of \$107 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase, as amended and supplemented by the First Supplement, the Second Supplement, the Third Supplement and this Fourth Supplement (together

with the First Supplement, the Second Supplement and the Third Supplement, the "Supplements"), and in the related Letters of Transmittal (which together constitute the "Offer").

Except as otherwise set forth in this Fourth Supplement, the terms and conditions previously set forth in the Offer to Purchase, the First Supplement, the Second Supplement and the Third Supplement remain applicable in all respects to the Offer, and this Fourth Supplement should be read in conjunction with the Offer to Purchase, the First Supplement, the Second Supplement and the Third Supplement. Unless the context requires otherwise, terms not defined herein have the meanings ascribed to them in the Offer to Purchase, the First Supplement, the Second Supplement and the Third Supplement.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, 61,657,432 SHARES, OR SUCH GREATER NUMBER OF SHARES AS EQUALS 50.1% OF THE SHARES OUTSTANDING PLUS THE SHARES ISSUABLE UPON THE EXERCISE OF THE THEN EXERCISABLE STOCK OPTIONS AS OF THE EXPIRATION DATE, BEING VALIDLY TENDERED AND NOT WITHDRAWN PRIOR TO THE EXPIRATION DATE (THE "MINIMUM CONDITION"). THE OFFER IS ALSO SUBJECT TO OTHER TERMS AND CONDITIONS. SEE SECTION 5 OF THE SECOND SUPPLEMENT, WHICH SETS FORTH IN FULL THE CONDITIONS OF THE OFFER.

As of the date of this Fourth Supplement, Purchaser and the Company are parties to an Agreement and Plan of Merger, dated as of January 21, 1994, as amended by the First Amendment thereto, dated as of January 27, 1994 (as so amended, the "January Merger Agreement"). The January Merger Agreement provides for the making of the Offer at a price of \$107 per Share followed by a second-step merger (the "Merger") with the consideration payable in the Merger consisting of the securities described in the Third Supplement.

Purchaser has proposed to the Company that the January Merger Agreement be amended to provide that, if the Offer is consummated, each Share that is issued and outstanding prior to the effective time (the "Effective Time") of the Merger (other than Shares held in the treasury of the Company or owned by Purchaser or any direct or indirect wholly owned subsidiary of Purchaser or of the Company and other than Shares held by stockholders who shall have demanded and perfected appraisal rights under Delaware Law) would be converted into the right to receive (i) .93065 shares of Class B Common Stock, par value \$.01 per share, of Purchaser (the "Viacom Class B Common Stock"), (ii) \$17.50 principal amount of 8% exchangeable subordinated debentures of Purchaser (the "Viacom Merger Debentures"), (iii) .93065 contingent value rights issued by Purchaser ("CVRs"), (iv) .50 of a warrant (the "Viacom Three Year Warrant") to purchase one share of Viacom Class B Common Stock and (v) .30 of a warrant (the "Viacom Five Year Warrant") to purchase one share of Viacom Class B Common Stock (collectively, the "Proposed Merger Consideration").

The Viacom Merger Debentures. As further described in Annex I to this Fourth Supplement, the Viacom Merger Debentures will bear interest at a rate of 8% per annum, will have a maturity of 12

years from the Effective Time, will be redeemable by Purchaser at declining redemption premiums after the fifth anniversary of the Effective Time and will be subordinated in right of payment to all senior indebtedness of Purchaser. The Viacom Merger Debentures will be exchangeable, at the option of Purchaser, in whole but not in part, into Purchaser's cumulative exchangeable preferred stock, par value \$.01 per share (the "Viacom Exchange Preferred Stock"), on or after the earlier of (i) January 1, 1995, but only if the Blockbuster Merger (as defined below) has not been consummated by such date and (ii) the acquisition by a third party of beneficial ownership of a majority of the then outstanding voting securities of Blockbuster Entertainment Corporation, a Delaware corporation ("Blockbuster"). The Viacom Merger Debentures will be issued in minimum denominations of \$1,000 and integral multiples thereof and no fraction of a Viacom Merger Debenture will be issued in the Merger. In lieu thereof, Purchaser will aggregate and sell such fractions on behalf of the stockholders of the Company and distribute the actual proceeds thereof to the stockholders. The Viacom Exchange Preferred Stock, if issued, would bear dividends at a rate of (a) 5% per annum until the tenth anniversary of the Effective Time and (b) thereafter, 10% per annum, would have a liquidation preference of \$50 per share, would be redeemable by Purchaser at declining redemption premiums after the fifth anniversary of the Effective Time, and would be exchangeable at the option of Purchaser into Purchaser's 5% subordinated debentures (the "Viacom Exchange Debentures") after the third anniversary of the Effective Time. The foregoing summary of the terms of the Viacom Merger Debentures and Viacom Exchange Preferred Stock is qualified in its entirety by reference to Annex I to this Fourth Supplement, which provides a more detailed summary of the terms of such securities.

The CVRs. As described in Annex II to this Fourth Supplement, following the maturity of the CVRs, each CVR will represent the right of the holder thereof (a "CVR Holder") to receive the amount, if any, by which the Target Price (as defined below) exceeds the greater of the Current Market Value (as defined below) and the "Minimum Price", which means (a) at the Maturity Date (as defined below), \$36.00, (b) at the First Extended Maturity Date (as defined below), \$37.00 and (c) at the Second Extended Maturity Date (as defined below), \$38.00. The CVRs will mature on the first anniversary of the Effective Time (the "Maturity Date"); provided, however, that Purchaser may, at its option, (i) extend the Maturity Date to the second anniversary of the Effective Time (the "First Extended Maturity Date") or (ii) extend the First Extended Maturity Date to the third anniversary of the Effective Time (the "Second Extended Maturity Date"), in either case by notice no later than one business day preceding the Maturity Date or the First Extended Maturity Date, as the case may be.

"Target Price" means (a) at the Maturity Date, \$48.00, (b) at the First Extended Maturity Date, \$51.00 and (c) at the Second Extended Maturity Date, \$55.00. "Current Market Value" means (i) with respect to the Maturity Date and the First Extended Maturity Date, the median of the averages of the closing prices on the American Stock Exchange (or such other exchange on which such shares are then listed) of shares of Viacom Class B Common Stock during each 20 consecutive trading day period that both begins and ends in the Valuation Period (as defined below) and (ii) with respect to the Second Extended Maturity Date, the average of the closing prices on the American Stock Exchange (or such other exchange on which such shares are then listed) of Viacom's Class B Common Stock during the 20 consecutive trading days in the Valuation Period which yield the highest such average of the closing prices for any such 20 consecutive trading day period within the Valuation Period. "Valuation Period" means the 60 trading day period immediately preceding (and including) the Maturity Date, the First Extended Maturity Date or the Second Extended Maturity Date, as the case may be.

Purchaser, at its option, may pay any amount due under the terms of the CVRs to the CVR Holders in cash or in the equivalent value (as determined by an independent nationally recognized investment bank) of registered securities of Purchaser, including, without limitation, common stock, preferred stock, notes or other securities. No amount will be payable under the CVRs if the Current Market Value equals or exceeds (i) \$48.00 on the Maturity Date, (ii) \$51.00 on the First Extended Maturity Date or (iii) \$55.00 on the Second Extended Maturity Date, as the case may be.

If Purchaser subdivides (by stock split, stock dividend or otherwise) or combines (by reverse stock split or otherwise) the number of outstanding shares of Viacom Class B Common Stock, Purchaser will correspondingly subdivide or combine the CVRs and will appropriately adjust the Target Price and the Minimum Price. No fraction of a CVR will be issued in the Merger. In lieu thereof, a cash payment will be made in an amount equivalent to the fair market value of the fraction of the CVR.

Upon the consummation of a Disposition or upon the occurrence and continuation of an Event of Default (as such terms are defined in Annex II to this Fourth Supplement), CVR Holders will have the right to receive an accelerated payment of Purchaser's obligations under the CVRs, discounted to the date of such payment and otherwise on the terms specified in Annex II to this Fourth Supplement.

The CVRs will be issued by Purchaser pursuant to a CVR Agreement that Purchaser intends to enter into with a bank or trust company selected by Purchaser. The CVRs will be issued in registered form, and Purchaser shall use its reasonable best efforts to cause the CVRs to be listed on the American Stock Exchange (or such other securities exchange on which the shares of Viacom Class B Common Stock are then listed). The CVRs are unsecured obligations of Purchaser and will rank equally with all other unsecured obligations of Purchaser. The foregoing summary of the terms of the CVRs is qualified in its entirety by reference to Annex II to this Fourth Supplement, which provides a more detailed summary of the terms of the CVRs.

Viacom Three Year Warrants. Each Viacom Three Year Warrant will entitle the holder thereof to purchase one share of Viacom Class B Common Stock per whole Viacom Three Year Warrant at any time prior to the third anniversary of the Effective Time at a price of \$60.00, payable in cash. The terms of the Viacom Three Year Warrants will include customary antidilution (with respect to stock splits, stock dividends, reverse stock splits or other similar subdivisions or combinations of stock) and other provisions. No fraction of a Viacom Three Year Warrant will be issued in the Merger. In lieu thereof, a cash payment will be made in an amount equivalent to the fair market value of the fraction of the Viacom Three Year Warrant.

Viacom Five Year Warrants. Each Viacom Five Year Warrant will entitle the holder thereof to purchase one share of Viacom Class B Common Stock per whole Viacom Five Year Warrant at any time prior to the fifth anniversary of the Effective Time at a price of \$70.00, exercisable for cash or by exchanging, if issued, either Viacom Exchange Preferred Stock with an equivalent liquidation preference or an equivalent principal amount of Viacom Exchange Debentures. The terms of the Viacom Five Year Warrants will include customary antidilution (with respect to stock splits, stock dividends, reverse stock splits or other similar subdivisions or combinations of stock) and other provisions. No fraction of a Viacom Five Year Warrant will be issued in the Merger. In lieu thereof, a cash payment will be made in an amount equivalent to the fair market value of the fraction of the Viacom Five Year Warrant.

THE MERGER

On January 21, 1994, the Company's Board of Directors recommended to the stockholders of the Company the acceptance of the Offer, and Purchaser and the Company entered into the January Merger Agreement, which is substantially in the form of the Form of Merger Agreement appended to the Exemption Agreement, dated as of December 22, 1993, between Purchaser and the Company (as amended on January 27, 1994, the "Exemption Agreement"), except for certain provisions summarized in Section 4 of this Fourth Supplement. Under the terms of the January Merger Agreement, the Company has agreed that upon delivery by Purchaser of a Completion Certificate (as defined in the January Merger Agreement), it will take all necessary action to amend the Rights Agreement to make it inapplicable, except under certain circumstances, to the Offer and to take all appropriate action so that the restrictions on business combinations in (i) Article XI of the Company's Certificate of Incorporation and (ii) Section 203 of the General Corporation Law of the State of Delaware ("Delaware Law") will not apply to the consummation of the Offer. See Section 4 of the Second Supplement.

The January Merger Agreement also provides, among other things, that as soon as practicable after the purchase of Shares pursuant to the Offer, the approval of the Merger by the stockholders of Purchaser and the Company and the satisfaction of the other conditions set forth in the January Merger Agreement and described in the Second Supplement and this Fourth Supplement, the Company will be merged with and into Purchaser in accordance with the relevant provisions of Delaware Law. In such event, following consummation of the Merger, Purchaser will continue as the surviving corporation (the "Surviving Corporation").

Alternatively, if Shearman & Sterling, counsel to Purchaser, is unable to deliver an opinion, in form and substance reasonably satisfactory to Purchaser, that the Merger will qualify as a reorganization under section 368(a) of the Internal Revenue Code of 1986, as amended, Purchaser may elect to cause the Merger to be effected by causing a wholly owned subsidiary of Purchaser to merge with and into the Company in accordance with Delaware Law. In such event, the separate corporate existence of such subsidiary will cease, and the Company will continue as the Surviving Corporation as a wholly owned subsidiary of Purchaser.

Based on the terms of the Offer, the existing terms of the January Merger Agreement and the terms of the January Merger Agreement as it is proposed to be amended as discussed in this Fourth Supplement, it is anticipated that Shearman & Sterling will be unable to deliver the opinion referred to in the immediately preceding paragraph, and thus that Purchaser will elect to change the form of the Merger as described in the foregoing paragraph. As a result, exchanges of Shares pursuant to the Offer and the Merger will be taxable transactions to stockholders of the Company for Federal income tax purposes. See Section 6 of the Second Supplement, Section 5 of the Third Supplement and Section 5 of this Fourth Supplement.

The January Merger Agreement provides that at the Effective Time, in the event the Offer has already been consummated, each Share that is issued and outstanding immediately prior to the Effective Time (other than Shares held in the treasury of the Company or owned by Purchaser or any direct or indirect wholly owned subsidiary of Purchaser or of the Company and other than Shares held by stockholders who shall have demanded and perfected appraisal rights under Delaware Law) will be converted into the right to receive the Merger Consideration (as defined in the Third Supplement). As stated above, Purchaser has proposed to the Company that the January Merger Agreement be amended to change the Merger Consideration to the Proposed Merger Consideration as described in this Fourth Supplement and to make related changes. Based on the proposed terms of the Merger, appraisal rights will be available to stockholders who have not voted in favor of the Merger or consented thereto in writing and who have properly demanded in writing appraisal of the Shares held by such stockholders in accordance with Delaware Law and who have not withdrawn such demand or otherwise forfeited appraisal rights.

Alternatively, if the January Merger Agreement is terminated by the Company in accordance with the terms thereof and Purchaser continues the Offer, Purchaser and the Company have agreed that the Exemption Agreement shall be deemed to be an effective agreement. In such event, stockholders of the Company may tender their Shares into the Offer, and provided that sufficient Shares are tendered into the Offer so that the Minimum Condition is satisfied, the Exemption Agreement provides that the Purchaser and the Company will enter into a merger agreement substantially in the form of the January Merger Agreement. Pursuant to such a merger agreement, the Proposed Merger Consideration will be payable in a second-step merger substantially identical to the Merger.

BLOCKBUSTER MERGER

On January 7, 1994, Purchaser and Blockbuster entered into an Agreement and Plan of Merger (the "Blockbuster Merger Agreement") pursuant to which Blockbuster will be merged with and into Purchaser (the "Blockbuster Merger") with Purchaser as the surviving corporation. See Sections 9 and 10 of the Second Supplement for certain information regarding Blockbuster and a description of the

Blockbuster Merger Agreement, Section 7 of the Third Supplement and Sections 3 and 7 of this Fourth Supplement for certain additional information regarding Purchaser and Blockbuster.

Procedures for tendering Shares are set forth in Section 3 of the Offer to Purchase. Tendering stockholders may use either the original (Yellow) Letter of Transmittal and the original (Blue) Notice of Guaranteed Delivery previously circulated with the Offer to Purchase, the (Green) Letter of Transmittal and the (Pink) Notice of Guaranteed Delivery circulated with the First Supplement, the (Orange) Letter of Transmittal and the (Yellow) Notice of Guaranteed Delivery circulated with the Second Supplement, the (Orange) Letter of Transmittal and the (Yellow) Notice of Guaranteed Delivery circulated with the Third Supplement or the revised (Orange) Letter of Transmittal and the revised (Yellow) Notice of Guaranteed Delivery circulated with this Fourth Supplement. While the original Letter of Transmittal circulated with the Offer to Purchase refers to the Offer to Purchase, the Letter of Transmittal circulated with the First Supplement refers to the Offer to Purchase and the First Supplement, the Letter of Transmittal circulated with the Second Supplement refers to the Offer to Purchase, the First Supplement and the Second Supplement, and the Letter of Transmittal circulated with the Third Supplement refers to the Offer to Purchase, the First Supplement, the Second Supplement and the Third Supplement, stockholders using such documents to tender Shares will nevertheless receive \$107 per Share for each Share validly tendered and not withdrawn and accepted for payment pursuant to the Offer, subject to the conditions of the Offer. Stockholders who have previously validly tendered and not withdrawn Shares pursuant to the Offer are not required to take any further action in order to receive, subject to the conditions of the Offer, the tender price of \$107 per Share, if the Shares are accepted for payment and paid for by Purchaser pursuant to the Offer, except as may be required by the guaranteed delivery procedure if such procedure was utilized. See Section 1 of this Fourth Supplement.

THE OFFER TO PURCHASE, THE FIRST SUPPLEMENT, THE SECOND SUPPLEMENT, THE THIRD SUPPLEMENT AND THIS FOURTH SUPPLEMENT CONTAIN IMPORTANT INFORMATION WHICH SHOULD BE READ BEFORE ANY DECISION IS MADE WITH RESPECT TO THE OFFER.

1. AMENDED TERMS OF THE OFFER. The Offer is being made for 61,657,432 Shares, or such greater number of Shares as equals 50.1% of the Shares outstanding plus the Shares issuable upon the exercise of the then exercisable stock options as of the Expiration Date. The price per Share to be paid pursuant to the Offer is \$107 per Share, net to the seller in cash. All stockholders whose Shares are validly tendered and not withdrawn and accepted for payment pursuant to the Offer (including Shares tendered prior to the date of this Fourth Supplement) will receive such price.

This Fourth Supplement, the revised (Orange) Letter of Transmittal and other relevant materials will be mailed to record holders of Shares whose names appear on the Company's stockholder list and will be furnished, for subsequent transmittal to beneficial owners of Shares, to brokers, dealers, commercial banks, trust companies and similar persons whose names, or the names of whose nominees, appear on the stockholder list or, if applicable, who are listed as participants in a clearing agency's security position listing.

2. PRICE RANGE OF SHARES; DIVIDENDS. The discussion set forth in Section 6 of the Offer to Purchase, Section 2 of the First Supplement, Section 2 of the Second Supplement and Section 2 of the Third Supplement is hereby amended and supplemented as follows:

ACCORDING TO PUBLISHED FINANCIAL SOURCES, THE COMPANY HAS PAID NO CASH DIVIDENDS ON THE SHARES SINCE THE DATE OF THE THIRD SUPPLEMENT.

The high and low sales prices per Share on the New York Stock Exchange (the "NYSE") as reported by the Dow Jones News Service for the fiscal quarter ended January 31, 1994, were \$83 1/2 and \$73 1/2, respectively. On January 31, 1994, the last full trading day prior to the announcement of the

increase in the price per Share to be paid pursuant to the Offer, the closing price per Share as reported on the NYSE was \$79 5/8.

3. FINANCING OF THE OFFER AND THE MERGER. The discussion set forth in Section 9 of the Offer to Purchase, Section 3 of the First Supplement, Section 3 of the Second Supplement and Section 3 of the Third Supplement is hereby amended and supplemented as follows:

Blockbuster Financing. Blockbuster expects to obtain a portion of the funds necessary to purchase the shares of Viacom Class B Common Stock under the Blockbuster Subscription Agreement pursuant to a new unsecured credit facility (the "New Blockbuster Facility") for \$1 billion to be established in accordance with the terms of a commitment letter (the "Blockbuster Commitment Letter") issued by Bank of America National Trust and Savings Association ("Bank of America"). Under the Blockbuster Commitment Letter, the New Blockbuster Facility would be available in one drawing, not later than April 29, 1994, have a 364-day term and bear interest at Blockbuster's option at the Reference Rate or at LIBOR plus up to 1.0% for the first six months and plus 1.25% thereafter. Under the Blockbuster Commitment Letter, the Reference Rate is generally defined as the higher of (i) the rate of interest publicly announced from time to time by the Bank of America in San Francisco, California, as its Reference Rate, or (ii) 0.5% per annum above the Federal Funds Rate in effect on such day. Under the Blockbuster Commitment Letter, LIBOR is generally defined as the average London interbank offered rate for 1-, 2-, 3-, or, if available, 6-month Eurodollar deposits. Among other conditions, Bank of America's obligations under the New Blockbuster Facility will be subject to Purchaser accepting for payment at least 50.1% of the outstanding Shares pursuant to the Offer and to the negotiation and execution of a definitive credit agreement with covenants and conditions substantially similar to the Blockbuster Credit Agreement (as described below) and other customary provisions. Bank of America's commitment is also subject to (i) the accuracy and completeness of the information concerning Blockbuster and the Blockbuster Subscription Agreement and related matters provided by Blockbuster, (ii) there being no material adverse change in the financial condition, business, operations or properties of Blockbuster since September 30, 1993, except as publicly disclosed on or prior to January 20, 1994, (iii) there being no material litigation or any judgment, order, injunction or other restraint which has a reasonable likelihood of having a material adverse effect on the condition (financial or otherwise), operations, business or properties of Blockbuster and its subsidiaries taken as a whole and (iv) there being no judgment, order, injunction or other restraint prohibiting or imposing materially adverse conditions on the purchase of Viacom Class B Common Stock under the Blockbuster Subscription Agreement or the making of the loans under the New Blockbuster Facility. The foregoing summary of the Blockbuster Commitment Letter is qualified in its entirety by reference to the Blockbuster Commitment Letter, a copy of which is filed as Exhibit (b)(8) to the Schedule 14D-1.

Blockbuster expects to obtain the remainder of such funds from its existing Amended and Restated Credit Agreement dated as of December 22, 1993 (the "Blockbuster Credit Agreement"), with certain banks named therein and Bank of America, for itself and as agent, pursuant to which such banks have agreed to advance Blockbuster on an unsecured basis an aggregate of \$1 billion for a term of 40 months. Outstanding advances, if any, will become payable at the expiration of the 40-month term. The Blockbuster Credit Agreement requires, among other things, that Blockbuster maintain certain financial ratios and comply with certain financial covenants. Interest on a portion of the borrowings is LIBOR plus .55% and on the remainder is generally determined and payable monthly in accordance with a competitive bid feature. As of the date hereof, approximately \$475 million is available under the Blockbuster Credit Agreement. The foregoing summary of the Blockbuster Credit Agreement is qualified in its entirety by reference to the Blockbuster Credit Agreement, a copy of which is filed as Exhibit (b)(9) to the Schedule 14D-1.

The Blockbuster Credit Agreement contains, and the Blockbuster Commitment Letter contemplates that the New Blockbuster Facility will contain, certain covenants and events of default, including a change of control default, which will require a waiver in connection with the Blockbuster Merger or the refinancing of the indebtedness incurred under such facilities.

Blockbuster anticipates that the indebtedness incurred in connection with the purchase of Viacom Class B Common Stock through borrowings under the New Blockbuster Facility and the Blockbuster Credit Agreement would be repaid from sources which include, but may not be limited to, funds generated internally by Blockbuster and its subsidiaries, bank refinancing, and the public or private sale of debt or equity securities. The method of such repayment has not been determined and will be based on Blockbuster's review from time to time of the advisability of particular actions, as well as on prevailing interest rates and financial and other economic conditions and such other factors as Blockbuster may deem appropriate.

Purchaser anticipates that, if the Blockbuster Merger is consummated, such indebtedness would be repaid from sources which include, but may not be limited to, funds generated internally by Purchaser and its subsidiaries, bank refinancing, and the public or private sale of debt or equity securities. The method of such repayment has not been determined and will be based on Purchaser's review from time to time of the advisability of particular actions, as well as on prevailing interest rates and financial and other economic conditions and such other factors as Purchaser may deem appropriate.

4. BACKGROUND OF THE OFFER SINCE JANUARY 18, 1994; CONTACTS WITH THE COMPANY; THE JANUARY MERGER AGREEMENT. The discussion set forth in Section 10 of the Offer to Purchase, Section 4 of the First Supplement, Section 4 of the Second Supplement and Section 4 of the Third Supplement is hereby amended and supplemented as follows:

By letter dated January 18, 1994, the Company's legal advisor informed Purchaser that the Staff of the Commission requested that it advise Purchaser and QVC of the Staff's position that a tender offer must remain open for a minimum of ten business days after a notice of a change in the back-end consideration of a two-tier tender offer is first published, sent or given to security holders. A copy of such letter is filed as Exhibit (a)(62) to the Schedule 14D-1 and is incorporated herein by reference.

On January 21, 1994, the Paramount Board withdrew its recommendation of the QVC Offer and recommended that the Company's stockholders tender their Shares into Purchaser's Offer. The Company has advised Purchaser that the Company terminated the QVC Merger Agreement and that QVC and the Company entered into the form of exemption agreement appended thereto, which exemption agreement contains terms substantially identical to the terms of the Exemption Agreement between Purchaser and the Company.

Also on January 21, 1994, Purchaser and the Company entered into the January Merger Agreement in substantially the form of the Form of Merger Agreement appended to the Exemption Agreement, except for the provisions summarized below. The following summary of certain provisions of the January Merger Agreement is qualified in its entirety by reference to the January Merger Agreement, a copy of which is filed as Exhibit (a)(65) to the Schedule 14D-1.

(a) The January Merger Agreement contains such changes as are necessary to reflect the terms of the Offer as described in the Third Supplement, including the consideration to be received by the holders of Shares in the Offer and the Merger (each is described in the Third Supplement).

(b) The January Merger Agreement includes provisions relating to dissenter's rights available to stockholders who do not vote in favor of the Merger or consent thereto in writing and who properly demand in writing appraisal for their Shares in accordance with Section 262 of Delaware Law and who do not withdraw such demand or otherwise forfeit appraisal rights.

(c) The January Merger Agreement provides that following the election or appointment of Purchaser's designees to the Paramount Board following the purchase of Shares pursuant to the Offer

and prior to the Effective Time, any amendment or termination of the January Merger Agreement, extension for the performance or waiver of the obligations or other acts of Purchaser or waiver of the Company's rights thereunder will require the concurrence of a majority of directors of the Company then in office who were directors on the date of the January Merger Agreement or are designated by such directors.

(d) In the January Merger Agreement, Purchaser confirms certain representations and warranties made by Blockbuster in the Blockbuster Merger Agreement. In addition, actions to be taken by Purchaser to consummate the acquisition of Blockbuster and the Blockbuster Subscription Agreement have been reflected in the relevant representations, warranties and covenants of Purchaser contained in the January Merger Agreement. The January Merger Agreement also provides that the terms of the Blockbuster Merger Agreement and the Blockbuster Subscription Agreement shall not, without the consent of the Company, be amended or waived in any manner that would have a materially adverse effect on the value of the aggregate consideration to be received by the Company's stockholders in the Offer and the Merger taken together.

(e) In the January Merger Agreement, July 31, 1994 (or September 30, 1994 in specified circumstances) is the date on which either the Company or Purchaser may terminate such agreement if the Merger shall not have occurred. The corresponding date in the Form of Merger Agreement was June 30, 1994 (or August 30, 1994 in specified circumstances).

(f) In addition to the circumstances specified in the Form of Merger Agreement in which the Company may terminate the January Merger Agreement, the January Merger Agreement also permits the Company to terminate such agreement if due to the occurrence or circumstance that would result in a failure to satisfy any of the conditions to the Offer or otherwise, (1) the Offer shall have expired without the purchase of Shares thereunder or Purchaser shall be obligated to terminate the Offer in accordance with Section 2.5 of the January Merger Agreement, or (2) Purchaser shall have failed to accept Shares for payment pursuant to the Offer prior to 9:00 a.m. on the business day following the Final Expiration Date (as defined in the January Merger Agreement) of the Offer, unless such failure shall have been caused by or resulted from the failure of the Company to perform in any material respect its material covenants and agreements contained in the January Merger Agreement or resulted from the termination of the Offer by Purchaser pursuant to Section 2.1(c) of the January Merger Agreement.

Also on January 21, 1994, the Company and National Amusements, Inc., a Maryland corporation and the controlling stockholder of Purchaser ("NAI"), entered into a Voting Agreement (the "January Voting Agreement") pursuant to which NAI has agreed to vote the shares of Viacom Class A Common Stock held by it (a) in favor of the Merger and the January Merger Agreement and the amendments to Purchaser's Restated Certificate of Incorporation required to effect the Merger and (b) against any proposal for any recapitalization, merger, sale of assets or other business combination involving Purchaser (other than the Merger and any merger of Blockbuster and Purchaser) or any other action or agreement that would result in a breach of any covenant, representation or warranty or any other obligation or agreement of Purchaser under the January Merger Agreement or which could result in any of the conditions to Purchaser's obligations under the January Merger Agreement not being fulfilled. The foregoing summary of the January Voting Agreement is qualified in its entirety by reference to the January Voting Agreement, a copy of which is filed as Exhibit (a)(66) to the Schedule 14D-1.

On January 27, 1994, Purchaser and the Company entered into amendments to (i) the January Merger Agreement and (ii) the Exemption Agreement. Such amendments provide that (a) the Purchaser will not cause the Expiration Date to be extended beyond 12:00 midnight on February 14, 1994 except in specific circumstances, including an extension required by federal securities laws to the extent the extension arises due to an event outside the control of Purchaser (those events not deemed to be outside the control of Purchaser including, without limitation, any change in the terms of the Offer or

the proposed terms of the Merger); (b) Purchaser will not increase the per share consideration of the Offer or the Merger or otherwise amend the Offer or the proposed terms of the Merger primarily to extend the expiration date of the QVC Offer; (c) any amendment by Purchaser to the Offer or any change in the consideration offered to the stockholders of the Company in the Merger that results in an extension of the Expiration Date will be publicly announced by 5:00 p.m. on the date of such amendment or change; and (d) Purchaser will not (x) seek to amend or waive any provision of the Bidding Procedures (as defined in the January Merger Agreement and the Exemption Agreement) or (y) publicly announce an intention to take an action which is not otherwise permitted, or refrain from taking an action which is required, under the terms of the Bidding Procedures. Copies of the amendments to the January Merger Agreement and the Exemption Agreement are filed as Exhibits (a)(70) and (a)(71), respectively, to the Scheduled 14D-1 and are incorporated herein by reference. The foregoing summary of such amendments is qualified in its entirety by reference to such Exhibits.

Purchaser has been informed by the Company that on January 27, 1994, QVC and the Company entered into an amendment to the exemption agreement between QVC and the Company which has the substantially identical effect as the amendments entered into between Purchaser and the Company with respect to the January Merger Agreement and the Exemption Agreement.

On January 27, 1994, the Company's legal advisor delivered a letter to Purchaser's legal advisor and QVC's legal advisor regarding the February 1, 1994 deadline for final bids under the bidding procedures applicable to the Offer. A copy of such letter is filed as Exhibit (a)(72) to the Schedule 14D-1 and is incorporated herein by reference.

5. CERTAIN FEDERAL INCOME TAX CONSEQUENCES. The discussion set forth in Section 5 of the Offer to Purchase, Section 6 of the Second Supplement and Section 5 of the Third Supplement is hereby amended and supplemented as follows:

It is anticipated that exchanges of Shares pursuant to the Offer or the Merger will be taxable transactions for Federal income tax purposes. A stockholder of the Company who exchanges Shares for cash in the Offer or for Viacom Class B Common Stock, Viacom Merger Debentures, CVRs, Viacom Three Year Warrants and Viacom Five Year Warrants in the Merger will recognize capital gain or loss for Federal income tax purposes. A stockholder of the Company who exchanges shares in the Merger will include the fair market value of the Viacom Class B Common Stock, the Viacom Merger Debentures, the CVRs, the Viacom Three Year Warrants and the Viacom Five Year Warrants received in the amount realized by such stockholder for purposes of computing the amount of capital gain or loss recognized by such stockholder. Such stockholder will have a tax basis in the Viacom Class B Common Stock, the Viacom Merger Debentures, the CVRs, the Viacom Three Year Warrants and the Viacom Five Year Warrants received equal to their respective fair market values. The holding period of such stockholder in the Viacom Merger Debentures will begin on the day following the date of the Merger. The holding period of such stockholder for long-term capital gains purposes in the Viacom Class B Common Stock, the CVRs, the Viacom Three Year Warrants and the Viacom Five Year Warrants received could depend, in part, on the characterization of the CVRs for Federal income tax purposes.

6. CERTAIN INFORMATION CONCERNING PURCHASER AND BLOCKBUSTER. The discussion set forth in Section 8 of the Offer to Purchaser, Sections 9 and 10 of the Second Supplement and Section 7 of the Third Supplement is hereby amended and supplemented by restating in their entirety the pro forma financial statements contained in Section 7 of the Third Supplement as follows:

VIACOM BLOCKBUSTER INC.
UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS

The following unaudited pro forma combined condensed balance sheet at September 30, 1993 gives effect to the Blockbuster Merger as if the Blockbuster Merger had occurred at such date, and was prepared based upon the unaudited balance sheets of Purchaser and Blockbuster at September 30, 1993. The following unaudited pro forma combined statements of operations for the nine months ended September 30, 1993 and for the year ended December 31, 1992 give effect to the Blockbuster Merger as if the Blockbuster Merger had occurred at the beginning of the period presented and were prepared based upon the unaudited statements of operations of Purchaser and Blockbuster for the nine months ended September 30, 1993 and the audited statements of Purchaser and Blockbuster for the year ended December 31, 1992. These unaudited pro forma combined condensed financial statements should be read in conjunction with the audited financial statements, including the notes thereto, and the unaudited financial statements, including the notes thereto, of (i) Purchaser contained in Purchaser's Annual Report on Form 10-K for the year ended December 31, 1992, as amended by Form 10-K/A Amendment No. 1 dated November 29, 1993, and in Purchaser's Quarterly Report on Form 10-Q for the quarter ended September 30, 1993, respectively, in each case filed by Purchaser with the Commission, and of (ii) Blockbuster contained in Blockbuster's Annual Report on Form 10-K for the year ended December 31, 1992, in Blockbuster's Current Report on Form 8-K dated October 22, 1993, and in Blockbuster's Quarterly Report on Form 10-Q for the quarter ended September 30, 1993, respectively, in each case filed by Blockbuster with the Commission. More comprehensive financial information is included in such reports and other documents filed by Purchaser and Blockbuster with the Commission, and the following financial data is qualified in its entirety by reference to such reports and other documents, including the financial information and related notes contained therein. Such reports and other documents may be inspected and copies may be obtained from the offices of the Commission in the same manner as set forth with respect to information about the Company in Section 7 of the Offer to Purchase.

The unaudited pro forma information is not necessarily indicative of the operating results or financial position of the combined company that would have occurred if the Blockbuster Merger had occurred at the date indicated, nor is it indicative of future operating results or financial position.

The pro forma adjustments are based upon available information and upon certain assumptions set forth herein, including the notes to the unaudited pro forma combined condensed financial statements, which Purchaser and Blockbuster believe are reasonable under the circumstances. The pro forma adjustments reflect the Blockbuster Merger Consideration (see Note 1). Blockbuster historical information has been adjusted for certain proposed or completed acquisitions. (See Blockbuster Pro Forma Information.)

The Blockbuster Merger is being accounted for by the purchase method of accounting, and accordingly, the cost to Purchaser to acquire Blockbuster, calculated to be approximately \$8.5 billion as of January 5, 1994, will be allocated to the assets and liabilities acquired according to their respective fair values. The cost to Purchaser to acquire Blockbuster pursuant to the Blockbuster Merger is subject to change based upon the market value of Viacom Common Stock at the time of the Blockbuster Merger. A change in the fair market value of Viacom Common Stock will result in a corresponding change in the excess of unallocated acquisition cost over the net assets acquired and the related amortization thereof. The valuations and other studies, which will provide the basis for such an allocation, have not yet progressed to a stage where there is sufficient information to make an allocation in the accompanying unaudited pro forma combined condensed financial statements. Accordingly, the purchase accounting adjustments made in connection with the development of the unaudited pro forma combined condensed financial information are preliminary and have been made solely for purposes of developing such unaudited pro forma combined condensed financial information. However, on the basis of its preliminary analysis, Purchaser currently believes that substantially all of the excess cost over Blockbuster net assets acquired will be allocated to intangible assets. For pro forma purposes, the approximate \$6.5 billion excess of unallocated acquisition cost over the net assets acquired, based on a calculation of the acquisition cost as of January 5, 1994, is being amortized over 40 years at the rate of \$163.7 million per year. Purchaser believes that such 40 year amortization period is appropriate based on Purchaser's belief that (i) the "Blockbuster" brand will continue to be a leading source for entertainment products for an indeterminable period of time of at least 40 years, (ii) the merger with Blockbuster will increase Purchaser's ability to exploit Purchaser's franchises, trademarks and products for an indeterminable time of at least 40 years and such franchises, trademarks and products will continue to support the diversification of the Blockbuster retail product and (iii) the "Blockbuster" brand is exploitable in areas other than retail outlets.

VIACOM BLOCKBUSTER INC.
 UNAUDITED PRO FORMA COMBINED CONDENSED BALANCE SHEET
 AT SEPTEMBER 30, 1993
 (IN MILLIONS)

	PURCHASER HISTORICAL	PRO FORMA COMBINED BLOCKBUSTER*	PRO FORMA		COMBINED COMPANY
			DEBIT ADJUSTMENTS	CREDIT ADJUSTMENTS	
ASSETS					
Cash & short term investments.....	\$ 63.9	\$ 70.5	\$ 1,800.0(1b)	\$ 30.0(1a)	\$ 1,904.4
Other current assets.....	936.9	615.0			1,551.9
Total current assets.....	1,000.8	685.5	1,800.0	30.0	3,456.3
Property and equipment, net.....	529.9	490.7			1,020.6
Videocassette rental inventory, net.....		430.9			430.9
Intangible assets, at amortized cost.....	2,214.2	815.3	6,546.2(1a)		9,575.7
Other assets.....	880.7	2,076.1		1,850.0(1c)	1,106.8
	\$ 4,625.6	\$ 4,498.5	\$ 8,346.2	\$ 1,880.0	\$ 15,590.3
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities.....	\$ 992.3	\$ 1,826.2	\$ 1,250.0(1c)		\$ 1,568.5
Long-term debt.....	2,359.1	615.3			2,974.4
Other liabilities.....	365.5	146.9			512.4
Stockholders' Equity:					
Preferred stock.....			600.0(1c)	\$ 1,800.0(1b)	1,200.0
Common stock.....	908.7	1,910.1		6,516.2(1a)	9,335.0
Total Stockholders' Equity.....	908.7	1,910.1	600.0	8,316.2	10,535.0
	\$ 4,625.6	\$ 4,498.5	\$ 1,850.0	\$ 8,316.2	\$ 15,590.3

See notes to unaudited pro forma combined condensed financial statements.

* See Blockbuster Pro Forma Combined Statements.

VIACOM BLOCKBUSTER INC.
 UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1993
 (IN MILLIONS, EXCEPT PER SHARE DATA)

	PURCHASER HISTORICAL	PRO FORMA COMBINED BLOCKBUSTER*	PRO FORMA		COMBINED COMPANY
			DEBIT ADJUSTMENTS	CREDIT ADJUSTMENTS	
Revenues.....	\$ 1,474.6	\$ 1,824.2			\$ 3,298.8
Expenses:					
Operating.....	643.1	1,386.7		\$ 313.0(2a)	1,716.8
Selling, general and administrative.....	412.6	149.2			561.8
Depreciation and amortization.....	112.0		\$ 313.0(2a) 122.7(2b)		547.7
Total expenses.....	1,167.7	1,535.9	435.7	313.0	2,826.3
Earnings from operations.....	306.9	288.3	435.7	313.0	472.5
Other income (expense):					
Interest expense.....	(117.3)	(73.5)			(190.8)
Interest and other investment income.....		5.9			5.9
Other items, net.....	63.3(3)	15.9	22.5(2d)		56.7
Total other income (expense).....	(54.0)	(51.7)	22.5		(128.2)
Earnings before income taxes.....	252.9	236.6	458.2	313.0	344.3
Provision for income taxes.....	106.9	89.4		0.2(2e)	196.1
Equity in loss of affiliated companies, net of tax.....	(2.8)				(2.8)
Earnings before extraordinary item.....	143.2	147.2	458.2	313.2	145.4
Preferred stock dividend requirements.....			67.5(2c)	22.5(2d)	45.0
Earnings attributable to common stock before extraordinary item and cumulative effect of change in accounting principle.....	\$ 143.2	\$ 147.2	\$ 525.7	\$335.7	\$ 100.4
Weighted average number of common and common equivalent shares.....	120.5				311.2
Primary earnings per common share before extraordinary items and cumulative effect of change in accounting principle	\$ 1.19				\$ 0.32(2f)

See notes to unaudited pro forma combined condensed financial statements.

* See Blockbuster Pro Forma Combined Statements.

VIACOM BLOCKBUSTER INC.
 UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS
 FOR THE YEAR ENDED DECEMBER 31, 1992
 (IN MILLIONS, EXCEPT PER SHARE DATA)

	PURCHASER HISTORICAL	PRO FORMA COMBINED BLOCKBUSTER*	PRO FORMA		COMBINED COMPANY
			DEBIT ADJUSTMENTS	CREDIT ADJUSTMENTS	
Revenues.....	\$ 1,864.7	\$ 2,296.6			\$ 4,161.3
Expenses:					
Operating.....	854.0	1,820.6		\$ 350.4(2a)	2,324.2
Selling, general and administrative.....	518.0	173.4			691.4
Depreciation and amortization.....	144.8		\$ 350.4(2a) 163.7(2b)		658.9
Total expenses.....	1,516.8	1,994.0	514.1	350.4	3,674.5
Earnings from operations.....	347.9	302.6	514.1	350.4	486.8
Other income (expense):					
Interest expense.....	(194.1)	(94.0)			(288.1)
Interest and other investment income.....		9.9			9.9
Other items, net.....	1.8(3)	17.4	30.0(2d)		(10.8)
Total other income (expense).....	(192.3)	(66.7)	30.0		(289.0)
Earnings before income taxes.....	155.6	235.9	544.1	350.4	197.8
Provision for income taxes.....	84.8	84.7		0.3(2e)	169.2
Equity in loss of affiliated companies, net of tax.....	(4.7)				(4.7)
Earnings before extraordinary items.....	66.1	151.2	544.1	350.7	23.9
Preferred stock dividend requirements.....			90.0(2c)	30.0(2d)	60.0
Earnings (loss) attributable to common stock before extraordinary items.....	\$ 66.1	\$ 151.2	\$ 634.1	\$ 380.7	\$ (36.1)
Weighted average number of common shares.....	120.2				290.0
Earnings (loss) per common share before extraordinary items.....	\$ 0.55				\$ (0.12)(2f)

See notes to unaudited pro forma combined condensed financial statements.

* See Blockbuster Pro Forma Combined Statements.

VIACOM BLOCKBUSTER INC.
NOTES TO UNAUDITED PRO FORMA
COMBINED CONDENSED FINANCIAL STATEMENTS
(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

(1) The cost to acquire Blockbuster pursuant to the Blockbuster Merger, the financing of such cost and the determination of the unallocated excess of acquisition cost over the net assets acquired are set forth below. Pursuant to the Blockbuster Merger, holders of shares of Blockbuster Common Stock will be entitled to receive, for each Blockbuster share, (a) .08 of one share of Viacom Class A Common Stock, (b) .60615 of one share of Viacom Class B Common Stock and (c) one variable common right (a "VCR"), which at the January 5, 1994 market price, represents an additional .05929 of one share of Viacom Class B Common Stock. As described in Annex A to the Blockbuster Merger Agreement, the VCR conversion rates vary and could result in the issuance of a maximum of 34.2 million shares of Viacom Class B Common Stock.

(a) Total acquisition costs and financing:	
Viacom Class A Common Stock.....	\$ 947.9
Viacom Class B Common Stock.....	6,525.6
VCRs.....	638.3

Acquisition costs financed.....	8,111.8
Excess value of exchange ratio over exercise price of Blockbuster stock options and warrants.....	314.5
Blockbuster Merger costs.....	30.0

Total acquisition costs.....	8,456.3
Blockbuster pro forma net assets as of September 30, 1993.....	1,910.1

Excess of acquisition costs over net assets acquired.....	\$ 6,546.2

- (b) Reflects the issuance of Viacom Preferred Stock to NYNEX for \$1.2 billion and Blockbuster for \$600 million.
- (c) Eliminates the intercompany investment by Blockbuster of \$600 million of Viacom Preferred Stock and the potential \$1.25 billion investment in Viacom Class B Common Stock and related \$1.25 billion Blockbuster debt financing.

(2) Other pro forma adjustments made to the unaudited combined condensed financial statements reflect the following:

- (a) Reflects the reclassification of the historical presentation of depreciation and amortization expense of \$313.0 million for the nine months ended September 30, 1993 and \$350.4 million for the year ended December 31, 1992, to conform the presentations of Purchaser and Blockbuster financial statements.
- (b) An increase in amortization expense of \$122.7 million for the nine months ended September 30, 1993 and \$163.7 million for the year ended December 31, 1992, resulting from an increase in intangible assets of approximately \$6.5 billion amortized over 40 years.
- (c) Reflects the 5% cumulative dividend requirement of the \$1.8 million of Viacom Preferred Stock in the amount of \$67.5 million and \$90 million for the nine months ended September 30, 1993 and year ended December 31, 1992, respectively.
- (d) Eliminates the 5% cumulative annual dividend requirement on the \$600 million intercompany Preferred Stock investment by Blockbuster in the amount of \$22.5 million for the nine months ended September 30, 1993 and \$30 million for the year ended December 31, 1992.
- (e) Reflects the income tax effects of pro forma adjustments. The effective income tax rates on a pro forma basis are affected by amortization of excess acquisition costs, which are not deductible for tax purposes.

(f) Pro forma primary earnings per common share for the nine months ended September 30, 1993 is calculated based on the weighted average number of shares of Viacom Common Stock and common stock equivalents outstanding and the number of shares of Viacom Common Stock and common stock equivalents to be issued in exchange for Blockbuster Common Stock and common stock equivalents, as if the transaction occurred at the beginning of the period. Pro forma loss per common share for the year ended December 31, 1992 is calculated based on the weighted average number of shares of Viacom Common Stock outstanding and the number of shares of Viacom Common Stock to be issued in exchange for Blockbuster Common Stock, as if the transaction occurred at the beginning of the period. The common stock equivalents would have an antidilutive effect on earnings per common share for the year ended December 31, 1992 due to the pro forma combined company loss. Conversion of the Viacom Preferred Stock would have an antidilutive effect on earnings per common share for both periods presented and therefore fully diluted earnings per common share is not presented.

(3) Other items, net, of the Purchaser, for the nine months ended September 30, 1993 reflects a net gain of \$63.3 million due to the sale of the Viacom Cablevision of Wisconsin, Inc. system and other non-recurring transactions. Other items, net, of the Purchaser, for the year ended December 31, 1992 reflects a net gain of \$1.8 million relating to certain aspects of the settlement of the Time Warner antitrust lawsuit, net of 1992 legal expenses related to such lawsuit, and the reserve for litigation related to a summary judgment against Purchaser in a dispute with CBS Inc. arising under the 1970 agreement associated with the spin-off of Viacom International by CBS Inc.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
BLOCKBUSTER ENTERTAINMENT CORPORATION AND SUBSIDIARIES,
SUPER CLUB RETAIL ENTERTAINMENT CORPORATION AND SUBSIDIARIES,
SPELLING ENTERTAINMENT GROUP INC. AND SUBSIDIARIES,
SOUND WAREHOUSE, INC. AND SUBSIDIARY AND SHOW INDUSTRIES, INC.

The historical financial statements of Blockbuster include the financial position and results of operations of WJB Video Limited Partnership and certain of its affiliates ("WJB"), with which Blockbuster consolidated in August 1993. This transaction has been accounted for under the pooling of interests method of accounting and, accordingly, all of Blockbuster's historical financial data has been restated as if the companies had operated as one entity since inception.

The following unaudited pro forma condensed consolidated balance sheet presents the pro forma financial position of Blockbuster as of September 30, 1993 as if the acquisition of Super Club Retail Entertainment Corporation and subsidiaries ("Super Club") had been consummated as of September 30, 1993. The balance sheet also contains pro forma adjustments for certain significant transactions subsequent to September 30, 1993 which transactions have either occurred or may occur in connection with Purchaser's proposed acquisition of the Company. These transactions include a \$600 million and a \$1.25 billion investment in Purchaser, additional borrowings of \$1.85 billion and the sale of 14,650,000 shares of Blockbuster's common stock in an underwritten public offering and are reflected in the balance sheet as if these transactions had been consummated as of September 30, 1993. Spelling Entertainment Group Inc. and subsidiaries ("Spelling Entertainment"), Sound Warehouse, Inc. and subsidiary ("Sound Warehouse") and Show Industries, Inc. ("Show Industries") are included in Blockbuster's historical balance sheet at September 30, 1993.

The following unaudited pro forma condensed consolidated statement of operations for the nine months ended September 30, 1993 presents the pro forma results of continuing operations of Blockbuster as if the acquisition of Super Club and the majority of the outstanding common stock of Spelling Entertainment as well as the significant transactions referred to above had been consummated at the beginning of the period presented. The following unaudited pro forma condensed consolidated statement of operations for the twelve months ended December 31, 1992 presents the pro forma results of continuing operations of Blockbuster as if the acquisitions of Super Club, Spelling Entertainment, Sound Warehouse and Show Industries as well as the significant transactions referred to above had been consummated at the beginning of the period presented. The following unaudited pro forma condensed consolidated statements of operations do not give effect to the estimated cost savings to be realized from the consolidation of certain Super Club, Sound Warehouse and Show Industries operational and administrative functions, including the elimination of duplicate facilities and personnel, and management fees previously charged by related affiliates. These unaudited pro forma condensed consolidated financial statements should be read in conjunction with the respective historical financial statements and notes thereto of Blockbuster, Super Club, Spelling Entertainment, Sound Warehouse and Show Industries.

Income from continuing operations per common and common equivalent share is based on the combined weighted average number of common shares and common share equivalents outstanding which include, where appropriate, the assumed exercise or conversion of warrants and options. In computing income from continuing operations per common and common equivalent share, Blockbuster utilizes the treasury stock method. Computing income from continuing operations per share on a fully diluted basis assumes conversion of Blockbuster's Liquid Yield Option Notes ("LYONs") when dilutive, in which case income from continuing operations is increased for the hypothetical elimination of interest expense, net of tax, related to the LYONs. The increase to income from continuing operations, assuming conversion of the LYONs, was approximately \$5,770,000 and the number of shares used to compute income from continuing operations per share on a fully diluted basis was increased by approximately 8,306,000 shares for the twelve months ended December 31, 1992. No such

adjustment was necessary for the nine months ended September 30, 1993 as the LYONs were converted to shares of Blockbuster's common stock during this period.

The unaudited pro forma condensed consolidated financial statements were prepared utilizing the accounting policies of the respective entities as outlined in their historical financial statements except as described in the accompanying notes. The unaudited pro forma condensed consolidated financial statements reflect Blockbuster's preliminary allocations of purchase prices which will be subject to further adjustments as Blockbuster finalizes the allocations of the purchase prices in accordance with generally accepted accounting principles. All of the aforementioned acquisitions, excluding WJB, were accounted for under the purchase method of accounting. The unaudited pro forma condensed consolidated results of operations do not necessarily reflect actual results which would have occurred if the aforementioned acquisitions had taken place on the assumed dates, nor are they indicative of the results of future combined operations. If either the Merger or the Blockbuster Merger were not to occur, certain pro forma adjustments included in these unaudited pro forma condensed consolidated financial statements would change significantly.

BLOCKBUSTER ENTERTAINMENT CORPORATION AND SUBSIDIARIES AND
SUPER CLUB RETAIL ENTERTAINMENT CORPORATION AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
AS OF SEPTEMBER 30, 1993
(IN THOUSANDS)

	BLOCKBUSTER	SUPER CLUB RETAIL ENTERTAINMENT CORPORATION AS OF OCTOBER 2, 1993		COMBINED	PRO FORMA ADJUSTMENTS		PRO FORMA
		DEBIT	CREDIT				
Current Assets:							
Cash and cash equivalents.....	\$ 63,077	\$ 7,394	\$ 70,471			\$ 70,471	
Accounts receivable, less allowance.....	88,460	20,528	108,988			108,988	
Merchandise inventories....	204,691	89,315	294,006			294,006	
Film costs and program rights, net.....	156,924		156,924			156,924	
Other.....	51,694	3,423	55,117			55,117	
Total Current Assets...	564,846	120,660	685,506			685,506	
Videocassette rental inventory, net.....	405,834	25,112	430,946			430,946	
Property and equipment, net.....	445,933	44,790	490,723			490,723	
Intangible assets, net....	784,757	105,810	890,567	\$ 30,565(b)	\$ 105,810(a)	815,322	
Investment in Viacom Inc.				1,850,000(e)		1,850,000	
Other assets.....	224,746	1,297	226,043			226,043	
	\$ 2,426,116	\$ 297,669	\$ 2,723,785	\$ 1,880,565	\$ 105,810	\$ 4,498,540	
Current Liabilities:							
Current portion of long-term debt.....	\$ 56,833	\$ 1,029	\$ 57,862		\$ 1,250,000(g)	\$ 1,307,862	
Accounts payable.....	193,548	58,278	251,826			251,826	
Accrued liabilities.....	177,163	11,191	188,354			188,354	
Accrued participation expenses.....	39,249		39,249			39,249	
Income taxes payable.....	38,211	720	38,931			38,931	
Total Current Liabilities.....	505,004	71,218	576,222		1,250,000	1,826,222	
Long-term debt.....	438,488	89,845	528,333	\$ 513,068(f, i)	600,000(g)	615,265	
Other liabilities.....	71,434	311	71,745			71,745	
Minority interest in subsidiaries.....	75,207		75,207			75,207	
Shareholders' Equity:							
Preferred stock.....		20,852	20,852	20,852(c)			
Common stock.....	22,212	174	22,386	174(c)	1,990(d, h)	24,202	
Capital in excess of par value.....	853,967	172,033	1,026,000	172,033(c)	572,128(d, h)	1,426,095	
Cumulative foreign currency translation adjustment...	(37,205)		(37,205)			(37,205)	
Retained earnings (deficit).....	497,009	(56,764)	440,245		56,764(c)	497,009	
Total Shareholders' Equity.....	1,335,983	136,295	1,472,278	193,059	630,882	1,910,101	
	\$ 2,426,116	\$ 297,669	\$ 2,723,785	\$ 706,127	\$ 2,480,882	\$ 4,498,540	

The accompanying notes are an integral part of this statement.

BLOCKBUSTER ENTERTAINMENT CORPORATION AND SUBSIDIARIES,
SUPER CLUB RETAIL ENTERTAINMENT CORPORATION AND SUBSIDIARIES AND
SPELLING ENTERTAINMENT GROUP INC. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1993
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	BLOCKBUSTER	SUPER CLUB	SPELLING	COMBINED	PRO FORMA		PRO
		RETAIL	ENTERTAINMENT		ENTERTAINMENT	ADJUSTMENTS	
	ENDED	ENTERTAINMENT	GROUP INC.		DEBIT	CREDIT	FORMA
	NINE MONTHS	CORPORATION	THREE MONTHS				
	10/2/93	NINE MONTHS	ENDED 3/31/93				
Revenue:							
Rental revenue.....	\$ 931,512	\$ 50,576		\$ 982,088			\$ 982,088
Product sales.....	404,160	215,912		620,072			620,072
Other revenue.....	167,635	2,873	\$ 51,509	222,017			222,017
	1,503,307	269,361	51,509	1,824,177			1,824,177
Operating Costs and Expenses:							
Cost of product sales.....	260,426	157,050		417,476			417,476
Operating expenses.....	836,882	100,761	38,049	975,692	\$ 6,518(k,l)		969,174
Selling, general and administrative.....	120,013	21,439	7,737	149,189			149,189
Operating Income (loss).....	285,986	(9,889)	5,723	281,820		6,518	288,338
Interest expense.....	(24,936)	(3,925)	(2,437)	(31,298)	\$ 42,776(q)	551(p)	(73,523)
Interest income.....	5,572	99	210	5,881			5,881
Other income (expense), net.....	(5,580)	992	(883)	(5,471)	1,083(j)	22,500(r)	15,946
Income (loss) before taxes.....	261,042	(12,723)	2,613	250,932	43,859	29,569	236,642
Provision for income taxes.....	98,691	106	1,674	100,471		11,020(s)	89,451
Income (loss) from continuing operations.....	\$ 162,351	\$ (12,829)	\$ 939	\$ 150,461	\$ 43,859	\$ 40,589	\$ 147,191
Weighted average common and common equivalent shares outstanding.....	212,873						235,827
Income from continuing operations per common and common equivalent share.....	\$ 0.76						\$ 0.62
Weighted average common and common equivalent shares outstanding--assuming full dilution.....	214,206						237,160
Income from continuing operations per common and common equivalent share--assuming full dilution.....	\$ 0.76						\$ 0.62

The accompanying notes are an integral part of this statement.

BLOCKBUSTER ENTERTAINMENT CORPORATION AND SUBSIDIARIES,
SUPER CLUB RETAIL ENTERTAINMENT CORPORATION AND SUBSIDIARIES,
SPELLING ENTERTAINMENT GROUP INC. AND SUBSIDIARIES,
SOUND WAREHOUSE, INC. AND SUBSIDIARY AND SHOW INDUSTRIES, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1992
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	BLOCKBUSTER	SUPER CLUB RETAIL ENTERTAINMENT CORPORATION TWELVE MONTHS ENDED 4/3/93	SPELLING ENTERTAINMENT GROUP INC. TWELVE MONTHS ENDED 12/31/92	SOUND WAREHOUSE, INC. TEN MONTHS ENDED 10/31/92	SHOW INDUSTRIES, INC. TEN MONTHS ENDED 10/31/92	COMBINED
Revenue:						
Rental revenue.....	\$ 969,333	\$ 68,223		\$ 21,213	\$ 22,300	\$1,081,069
Product sales.....	298,338	312,940		218,383	75,607	905,268
Television programming revenue.....			\$ 258,519			258,519
Royalties and other fees.....	48,173	3,541				51,714
	1,315,844	384,704	258,519	239,596	97,907	2,296,570
Operating Costs and Expenses:						
Cost of product sales.....	196,175	222,676		142,901	49,362	611,114
Operating expenses.....	763,220	133,945	216,687	77,011	45,814	1,236,677
Selling, general and administrative.....	113,587	27,166	12,207	12,612	7,865	173,437
Operating income (loss).....	242,862	917	29,625	7,072	(5,134)	275,342
Interest expense.....	(17,793)	(6,690)	(9,891)	(10,759)	(3,532)	(48,665)
Interest income.....	7,044	119	2,488	255		9,906
Other income (expense), net.....	(893)	187	(5,120)			(5,826)
Income (loss) before taxes.....	231,220	(5,467)	17,102	(3,432)	(8,666)	230,757
Provision for (benefit of) income taxes.....	82,951	314	9,185	(287)		92,163
Income (loss) from continuing operations....	\$ 148,269	\$ (5,781)	\$ 7,917	\$ (3,145)	\$ (8,666)	\$ 138,594
Weighted average common and common equivalent shares outstanding.....	192,427					
Income from continuing operations per common and common equivalent share.....	\$ 0.77					
Weighted average common and common equivalent shares outstanding-- assuming full dilution.....	202,314					
Income from continuing operations per common and common equivalent share--assuming full dilution.....	\$ 0.76					

	PRO FORMA ADJUSTMENTS		PRO FORMA
	DEBIT	CREDIT	
Revenue:			
Rental revenue.....			\$1,081,069
Product sales.....			905,268
Television programming revenue.....			258,519
Royalties and other fees.....			51,714
			2,296,570
Operating Costs and Expenses:			
Cost of product sales.....			611,114
Operating expenses.....	\$ 27,228		1,209,449
Selling, general and administrative.....			173,437
Operating income (loss).....		27,228	302,570
Interest expense.....	\$ 57,035(q)	11,722(p)	(93,978)
Interest income.....			9,906
Other income (expense), net.....	6,757(j)	30,000(r)	17,417
Income (loss) before taxes.....	63,792	68,950	235,915
Provision for (benefit of) income taxes.....		7,469(s)	84,694
Income (loss) from continuing operations....	\$ 63,792	\$ 76,419	\$ 151,221
Weighted average common and common equivalent shares outstanding.....			225,267
Income from continuing operations per common and common equivalent share.....			\$ 0.67

Weighted average common and common equivalent shares outstanding-- assuming full dilution.....	----- ----- 235,154 ----- -----
Income from continuing operations per common and common equivalent share--assuming full dilution.....	----- ----- \$ 0.67 ----- -----

The accompanying notes are an integral part of this statement.

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

- (a) Represents an entry to eliminate the historical intangible assets of Super Club.
- (b) Represents an entry to record intangible assets resulting from the preliminary allocation of the purchase price for Super Club.
- (c) Represents an entry to eliminate the prior equity balances of Super Club.
- (d) Represents the recording of equity resulting from Blockbuster's issuance of its common stock to the sellers of Super Club.
- (e) Represents Blockbuster's investment in Purchaser.
- (f) Represents the elimination of Super Club related party payables excluded from the purchase transaction.
- (g) Represents additional debt incurred by Blockbuster which was used to fund Blockbuster's investment in Purchaser.
- (h) Represents the recording of equity resulting from the sale of 14,650,000 shares of Blockbuster's common stock in an underwritten public offering in November 1993.
- (i) Represents proceeds from Blockbuster's equity sale which were used to reduce its existing indebtedness.
- (j) Represents the recording of the minority interest resulting from Blockbuster's purchase of the majority of the outstanding common stock of Spelling Entertainment.
- (k) Represents a net adjustment related to the elimination of the historical amortization of intangible assets and the recording of amortization, on a straight-line basis, on the intangible assets resulting from the preliminary purchase price allocations of the acquired entities. Intangible assets resulting from the purchase of Super Club, Spelling Entertainment, Sound Warehouse and Show Industries are being amortized over a 40 year life which approximates their useful lives.
- (l) Represents reductions to programming and distribution, depreciation and occupancy expenses resulting from preliminary purchase price allocations which reflect the fair market value of various assets and liabilities related to Spelling Entertainment.
- (m) Represents a reduction to videocassette rental inventory amortization expense due to adjustments to the carrying value of Sound Warehouse and Show Industries' videocassette rental inventory as a result of the preliminary purchase price allocations and the assignment of remaining useful lives.
- (n) Represents a reduction to property and equipment depreciation expense resulting from adjustments to the carrying value of Sound Warehouse and Show Industries' property and equipment as a result of preliminary purchase price allocations and the assignment of remaining useful lives.
- (o) Represents the elimination of the amortization of deferred financing costs of Sound Warehouse and Show Industries.
- (p) Represents the reduction in interest expense resulting from the revaluation of outstanding indebtedness of Spelling Entertainment, Sound Warehouse and Show Industries by Blockbuster at current interest rates.
- (q) Represents additional interest expense resulting from Blockbuster's additional borrowings used to fund its investment in Purchaser.
- (r) Represents dividend income related to a portion of Blockbuster's investment in Purchaser.
- (s) Represents the incremental change in the combined entity's provision for income taxes as a result of the pretax earnings of Super Club, Spelling Entertainment, Sound Warehouse and Show Industries and all pro forma adjustments as described above.

7. MISCELLANEOUS. Purchaser has filed with the Commission amendments to the Schedule 14D-1 pursuant to Rule 14d-3 of the General Rules and Regulations under the Securities Exchange Act of 1934, as amended, furnishing certain additional information with respect to the Offer, and may file further amendments thereto. The Schedule 14D-1 and any amendments thereto, including exhibits, may be inspected at, and copies may be obtained from, the same places and in the same manner as set forth in Section 7 of the Offer to Purchase (except that they will not be available at the regional offices of the Commission).

VIACOM INC.

February 1, 1994

VIACOM INC.
PRINCIPAL TERMS OF VIACOM MERGER DEBENTURES

VIACOM MERGER DEBENTURES

Issuer.....	Viacom Inc.
Interest.....	8% per annum, payable semi-annually, provided that the initial interest payment date shall be January 1, 1995.
Maturity.....	12 years from the Effective Time.
Optional Redemption.....	Not redeemable prior to the fifth anniversary of the Effective Time. On and after that date, redeemable, in whole or in part, at the option of Viacom, initially at a redemption price of 103% of the principal amount thereof and thereafter at prices declining to 100% of the principal amount thereof on the eighth anniversary of the Effective Time, plus, in each case, all accrued and unpaid interest.
Mandatory Redemption.....	None.
Denomination.....	Issuable in minimum denominations of \$1,000 and integral multiples thereof.
Exchange for Viacom Exchange Preferred Stock.....	Exchangeable, at the option of Viacom, in whole but not in part, on or after the earlier of (i) January 1, 1995, but only if the Blockbuster Merger has not been consummated by such date, and (ii) the acquisition by a third party of beneficial ownership of a majority of the outstanding voting securities of Blockbuster, into shares of Viacom's 5% Cumulative Exchangeable Preferred Stock (the "Viacom Exchange Preferred Stock") at the rate of one share of Viacom Exchange Preferred Stock for each \$50 in principal amount of Viacom Merger Debentures exchanged. At the time of the exchange, dividends on the Viacom Exchange Preferred Stock will be deemed to have accrued from the date of issuance of the Viacom Merger Debentures, and no accrued interest will be paid with respect to the Viacom Merger Debentures.
Subordination.....	Subordinated in right of payment to all Senior Indebtedness of Viacom. Senior Indebtedness of Viacom will be defined as (a) the principal of, premium, if any, and accrued and unpaid interest on (i) indebtedness of Viacom for money borrowed, including all obligations of Viacom under its bank credit facilities, (ii) guarantees by Viacom of indebtedness for money borrowed by any other person, including any guarantees by Viacom of obligations of Viacom International Inc., (iii) trade credit of Viacom and indebtedness evidenced by notes, debentures, bonds or other instruments of indebtedness for payment of which Viacom is responsible or liable, by guarantees or otherwise, and (iv) obligations of Viacom under capital leases, and (b) modifications, renewals, extensions and refunding of any such indebtedness, obligations or guarantees, unless it is provided that such indebtedness, obligations or guarantees, or such modifications, renewals, extensions or refundings thereof, are not superior in right of payment to the Viacom Merger Debentures. No payment on account of principal or interest on the Viacom

Merger Debentures may be made if at the time of such payment there exists a payment default with respect to any Senior Indebtedness. Upon any distribution of the assets of Viacom upon any dissolution, total or partial liquidation or reorganization of or similar proceeding relating to Viacom, the holders of its Senior Indebtedness will be entitled to receive payment in full before the Viacom Merger Debenture holders are entitled to receive any payment.

Events of Default..... The term "Event of Default" when used in the indenture for the Viacom Merger Debentures will mean any of the following: (i) failure of Viacom to pay (whether or not prohibited by the subordination provisions) interest for thirty days on the principal of or any redemption payment on any of the Viacom Merger Debentures, (ii) failure to perform any other covenant contained in the Indenture for sixty days after notice to Viacom by the trustee (or to Viacom and the trustee by the holders of at least 25% in aggregate principal amount of Viacom Merger Debentures then outstanding) and (iii) certain events of bankruptcy, insolvency or reorganization. Any acceleration of the Viacom Merger Debentures following an Event of Default shall not be effective until 5 business days after notice of acceleration to holders of Senior Indebtedness under Viacom's bank credit facilities.

VIACOM EXCHANGE PREFERRED STOCK

Dividends..... Cumulative from the Effective Time at the annual rate of \$2.50 per share of Viacom Exchange Preferred Stock, payable quarterly; provided that, from and after the tenth anniversary of the Effective Time, the annual rate shall increase from \$2.50 to \$5.00 per share of Viacom Exchange Preferred Stock.

Liquidation Preference..... \$50.00 per share of Viacom Exchange Preferred Stock, plus accrued and unpaid dividends.

Optional Redemption..... Not redeemable prior to the fifth anniversary of the Effective Time. On and after that date, redeemable in whole or in part, at the option of Viacom, initially at a per share redemption price of \$52.50 and thereafter at prices declining to \$50.00 on and after the tenth anniversary of the Effective Time, plus, in each case, all accrued and unpaid dividends.

Mandatory Redemption..... None.

Exchange for Viacom Exchange

Debentures..... Exchangeable in whole or in part, at the option of Viacom, on any dividend payment date beginning on and after the third anniversary of the Effective Time, for Viacom's 5% Subordinated Debentures (the "Viacom Exchange Debentures") at the rate of \$50.00 principal amount of Viacom Exchange Debentures for each share of Viacom Exchange Preferred Stock. Viacom may effect such exchange only if all accrued and unpaid dividends on the Viacom Exchange Preferred Stock have been paid.

Voting Rights.....	No voting rights except (i) as otherwise required by law and (ii) for the right to elect two additional directors to Viacom's Board of Directors in the event that Viacom has failed to pay dividends payable on the shares of Viacom Exchange Preferred Stock for such number of dividend periods which shall in the aggregate contain not less than 360 days. In any such election, the holders of shares of Viacom Exchange Preferred Stock will vote separately as a class with the holders of shares of any one or more other shares of preferred stock ranking on a parity with the Viacom Exchange Preferred Stock. Such right to elect two directors will continue until such dividend arrearages have been paid.
VIACOM EXCHANGE DEBENTURES	
Interest.....	5% per annum; provided that, from and after the tenth anniversary of the Effective Time, the interest rate shall increase to 10% per annum, payable semi-annually.
Aggregate Principal Amount.....	Equal to aggregate liquidation preference of Viacom Exchange Preferred Stock exchanged, with the Viacom Exchange Debentures being issued in minimum denominations of \$1,000 and integral multiples thereof.
Maturity.....	20 years from the Effective Time.
Optional Redemption.....	Not redeemable prior to the fifth anniversary of the Effective Time. On and after that date, redeemable, in whole or in part, at the option of Viacom, initially at a redemption price of 105% of the principal amount thereof and thereafter at prices declining to 100% of the principal amount thereof on and after the tenth anniversary of the Effective Time, plus, in each case, all accrued and unpaid interest.
Mandatory Redemption.....	None.
Subordination.....	Same as the Viacom Merger Debentures.
Events of Default.....	Same as the Viacom Merger Debentures.

VIACOM INC.
CONTINGENT VALUE RIGHTS ("CVRS")

ISSUER:..... Viacom Inc. ("Viacom")

PAYMENT AT MATURITY:..... Following the maturity of a CVR, the holder of such CVR (the "CVR Holder") shall have the right to receive the amount, if any, by which the Target Price exceeds the greater of the Current Market Value and the Minimum Price (each as defined below). The CVRs shall mature on the Maturity Date unless otherwise extended to the First Extended Maturity Date or the Second Extended Maturity Date, as the case may be (each as defined below).

FORM OF PAYMENT:..... Viacom, at its option, may pay any amount due under the terms of the CVRs to the CVR Holders in cash or in the equivalent fair market value (as determined by an independent nationally recognized investment bank) of registered securities of Viacom, including, without limitation, common stock, preferred stock, notes or other securities.

TARGET PRICE:..... "Target Price" means (i) at the Maturity Date, \$48.00, (ii) at the First Extended Maturity Date, \$51.00 and (iii) at the Second Extended Maturity Date, \$55.00. In each case, such Target Prices shall be adjusted upon the occurrence of any event described in the Section entitled "Antidilution" set forth below.

CURRENT MARKET VALUE:..... "Current Market Value" means (i) with respect to the Maturity Date and the First Extended Maturity Date, the median of the averages of the closing prices on the American Stock Exchange (or such other exchange on which such shares are then listed) of shares of Viacom's Class B Common Stock, par value \$.01 per share (the "Class B Common Stock"), during each 20 consecutive trading day period that both begins and ends in the Valuation Period and (ii) with respect to the Second Extended Maturity Date, the average of the closing prices on the American Stock Exchange (or such other exchange on which such shares are then listed) of the Class B Common Stock during the 20 consecutive trading days in the Valuation Period which yield the highest such average of the closing prices for any such 20 consecutive trading day period within the Valuation Period. "Valuation Period" means the 60 trading day period immediately preceding (and including) the Maturity Date, the First Extended Maturity Date or the Second Extended Maturity Date, as the case may be.

MINIMUM PRICE:..... "Minimum Price" means (i) at the Maturity Date, \$36.00, (ii) at the First Extended Maturity Date, \$37.00 and (iii) at the Second Extended Maturity Date, \$38.00. In each case, such Current Market Values shall be adjusted upon the occurrence of any event described in the Section entitled "Antidilution" set forth below.

MATURITY DATE;
EXTENSIONS THEREOF:..... "Maturity Date" means the first anniversary of the effective time (the "Effective Time") of the merger between Viacom and Paramount Communications Inc. (the "Merger"); provided, however, that Viacom, at its option, may (i) extend the Maturity

Date to the second anniversary of the Effective Time (the "First Extended Maturity Date") and (ii) extend the First Extended Maturity Date to the third anniversary of the Effective Time (the "Second Extended Maturity Date"). Viacom shall exercise either such option to extend by publishing notice of such exercise in the Wall Street Journal (Eastern Edition), or if the Wall Street Journal is not then published, such other newspaper with general circulation in the City of New York, New York no later than one business day preceding the Maturity Date or First Extended Maturity Date, as the case may be.

NO INTEREST:..... Other than in the case of interest on the Default Amount (as defined below), no interest shall accrue on any amounts payable to the CVR Holders pursuant to the terms of the CVRs.

DISPOSITION PAYMENT:..... Following the consummation of a Disposition (as defined below), Viacom shall pay to each CVR Holder for each CVR held by such CVR Holder an amount, if any, by which the Discounted Target Price (as defined below) exceeds the greater of (a) the fair market value (as determined by an independent nationally recognized investment banking firm) of the consideration, if any, received by holders of Class B Common Stock for each share of Class B Common Stock held by such holder as a result of such Disposition and (b) the Minimum Price.

DISPOSITIONS:..... "Disposition" means (a) a merger, consolidation or other business combination involving Viacom as a result of which no shares of Class B Common Stock shall remain outstanding, (b) a sale, transfer or other disposition, in one or a series of transactions, of all or substantially all of the assets of Viacom or (c) a reclassification of Class B Common Stock as any other capital stock of Viacom or any other person.

ACCELERATION UPON
EVENT OF DEFAULT:..... If an Event of Default (as defined below) occurs and is continuing, either the bank or trust company acting as the trustee (the "Trustee") or CVR Holders holding at least 25% of the outstanding CVRs, by notice to Viacom (and to the Trustee if given by CVR Holders), may declare the CVRs to be due and payable, and upon any such declaration, the Default Amount shall become due and payable and, thereafter, shall bear interest at an interest rate of 8% per annum until payment is made to the Trustee. "Default Amount" means the amount, if any, by which the Discounted Target Price exceeds the Minimum Price.

DISCOUNTED TARGET PRICE:..... "Discounted Target Price" means (a) if a Disposition or an Event of Default shall occur prior to the Maturity Date, \$48.00, discounted to the Disposition Payment Date (as defined below) or the Default Payment Date (as defined below), as the case may be, at a per annum rate of 8%; (b) if a Disposition or an Event of Default shall occur after the Maturity Date but prior to the First Extended Maturity Date, \$51.00 discounted to the date of the Disposition Payment Date or Default Payment Date, as the case may be, at a per annum rate of 8%; or (c) if a Disposition or an Event of Default shall occur after the First Extended Maturity Date but prior to the Second Extended Maturity Date, \$55.00

discounted to the Disposition Payment Date or Default Payment Date, as the case may be, at a per annum rate of 8%. In each case, the Discounted Target Price and the Minimum Price shall be adjusted upon the occurrence of any event described in the Section entitled "Antidilution" set forth below. "Disposition Payment Date", with respect to a Disposition, means the date established by Viacom for payment of the amount due on the CVRs in respect of such Disposition, which in no event shall be more than 30 days after the date on which such Disposition was consummated. "Default Payment Date" means the date on which the CVRs become due and payable upon the declaration thereof following an Event of Default.

- EVENTS OF DEFAULT:..... "Event of Default", with respect to the CVRs, means any of the following which shall have occurred and be continuing: (a) default in the payment of all or any part of the amounts payable in respect of any of the CVRs as and when the same shall become due and payable following the Maturity Date, the First Extended Maturity Date or the Second Extended Maturity Date, the Disposition Payment Date or otherwise; (b) material default in the performance, or material breach, of any material covenant or warranty of Viacom, and continuance of such material default or breach for a period of 90 days after written notice has been given to Viacom by the Trustee or to Viacom and the Trustee by CVR Holders holding at least 25% of the outstanding CVRs; or (c) certain events of bankruptcy, insolvency, reorganization or other similar events in respect of Viacom.
- ANTIDILUTION:..... If Viacom shall in any manner subdivide (by stock split, stock dividend or otherwise) or combine (by reverse stock split or otherwise) the number of outstanding shares of Class B Common Stock, Viacom shall correspondingly subdivide or combine the CVRs and shall appropriately adjust the Target Price, the Minimum Price and the Discounted Target Price.
- TRADING:..... None of Viacom, National Amusements, Inc. or any of their affiliates shall trade in shares of Class B Common Stock during the period commencing 10 trading days before the Valuation Period and ending on the last day of the Valuation Period, except with respect to employee benefit plans and other incentive compensation arrangements.
- NO FRACTIONAL CVRS:..... No fraction of a CVR will be issued in the Merger. In lieu thereof, a cash payment will be made in an amount equivalent to the fair market value of the fraction of the CVR.
- CVR AGREEMENT:..... The CVRs will be issued pursuant to a CVR Agreement between Viacom and the Trustee. Viacom shall use its reasonable best efforts to cause the CVR Agreement to be qualified under the Trust Indenture Act of 1939, as amended.
- REGISTRATION/LISTING:..... The CVRs will be issued in registered form, and Viacom shall use its reasonable best efforts to list the CVRS on the American Stock Exchange (or such other securities exchange on which the shares of Class B Common Stock are then listed).
- NATURE AND RANKING OF CVRS:..... The CVRS are unsecured obligations of Viacom and will rank equally with all other unsecured obligations of Viacom.

Facsimiles of Letters of Transmittal will be accepted. The Letter of Transmittal and certificates evidencing Shares and any other required documents should be sent or delivered by each stockholder or his broker, dealer, commercial bank, trust company or other nominee to the Depository at one of its addresses set forth below.

FIRST CHICAGO TRUST COMPANY OF NEW YORK

By Mail:
P.O. Box 2562
Mail Suite 4660
Jersey City, New Jersey
07303-2562

By Facsimile:
(201) 222-4720
or
(201) 222-4721
Confirm by Telephone:
(201) 222-4707

By Hand or
Overnight Courier:
14 Wall Street,
8th Floor
Suite 4680
New York, New York 10005

Questions or requests for assistance may be directed to the Information Agent or the Dealer Manager at their respective addresses and telephone numbers listed below. Additional copies of the Offer to Purchase, the Supplements, the revised (Orange) Letter of Transmittal and the revised (Yellow) Notice of Guaranteed Delivery may be obtained from the Information Agent. A stockholder may also contact brokers, dealers, commercial banks or trust companies for assistance concerning the Offer.

The Information Agent for the Offer is:

[LOGO]

Wall Street Plaza
New York, New York 10005
(212) 509-6240 (collect)

Bankers and Brokers call
(212) 440-9800

Call Toll Free: 1-800-223-2064

The Dealer Manager for the Offer is:

SMITH BARNEY SHEARSON INC.
1345 Avenue of the Americas
48th Floor
New York, NY 10105
(212) 698-8455

LETTER OF TRANSMITTAL
TO TENDER SHARES OF COMMON STOCK
OF
PARAMOUNT COMMUNICATIONS INC.
PURSUANT TO THE OFFER TO PURCHASE
DATED OCTOBER 25, 1993,
THE SUPPLEMENT THERETO
DATED NOVEMBER 8, 1993,
THE SECOND SUPPLEMENT THERETO
DATED JANUARY 7, 1994,
THE THIRD SUPPLEMENT THERETO
DATED JANUARY 18, 1994,
AND THE FOURTH SUPPLEMENT THERETO
DATED FEBRUARY 1, 1994

OF

VIACOM INC.

THE OFFER IS EXTENDED. THE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS
WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON MONDAY, FEBRUARY 14,
1994, UNLESS THE OFFER IS FURTHER EXTENDED.

THE DEPOSITARY FOR THE OFFER IS:
FIRST CHICAGO TRUST COMPANY OF NEW YORK

By Mail:
P.O. Box 2562
Suite Box 4660
Jersey City, New Jersey
07303-2562

By Facsimile
Transmission:
(201) 222-4720
or
(201) 222-4721

Confirm by Telephone:
(201) 222-4707

By Hand or Overnight Courier:
14 Wall Street,
8th Floor
Suite 4680
New York, New York 10005

DELIVERY OF THIS LETTER OF TRANSMITTAL TO AN ADDRESS OTHER THAN AS SET
FORTH ABOVE, OR TRANSMISSION OF INSTRUCTIONS VIA FACSIMILE TRANSMISSION OTHER
THAN AS SET FORTH ABOVE, WILL NOT CONSTITUTE A VALID DELIVERY.

THE INSTRUCTIONS SET FORTH IN THIS LETTER OF TRANSMITTAL SHOULD BE READ
CAREFULLY BEFORE THIS LETTER OF TRANSMITTAL IS COMPLETED.

While the previously circulated (Yellow), (Green) or (Orange) Letters of
Transmittal refer to the Offer to Purchase dated October 25, 1993, the
Supplement thereto dated November 8, 1993, the Second Supplement thereto dated
January 7, 1994, and the Third Supplement thereto dated January 18, 1994,
stockholders making use thereof to tender their Shares will nevertheless receive
\$107 per Share for each Share validly tendered and not withdrawn and accepted
for payment pursuant to the Offer, subject to the conditions of the Offer.
Stockholders who have previously validly tendered and have not withdrawn their
Shares pursuant to the Offer are not required to take any further action to
receive the tender price of \$107 per Share.

This revised Letter of Transmittal or one of the previously circulated
(Yellow), (Green) or (Orange) Letters of Transmittal is to be completed by
stockholders either if certificates evidencing Shares (as defined below) are to
be forwarded herewith or if delivery of Shares is to be made by book-entry
transfer to the Depository's account at The Depository Trust Company ("DTC"),
the Midwest Securities Trust Company ("MSTC") or the Philadelphia Depository
Trust Company ("PDTC") (each a "Book-Entry Transfer Facility" and collectively,
the "Book-Entry Transfer Facilities") pursuant to the book-entry transfer
procedure described in Section 3 of the Offer to Purchase (as defined below).
DELIVERY OF DOCUMENTS TO A BOOK-ENTRY TRANSFER FACILITY DOES NOT CONSTITUTE
DELIVERY TO THE DEPOSITARY.

Stockholders whose certificates evidencing Shares ("Share Certificates") are
not immediately available or who cannot deliver their Share Certificates and all
other documents required hereby to the Depository prior to the Expiration Date
(as defined in Section 1 of the Offer to Purchase) or who cannot complete the
procedure for delivery by book-entry transfer on a timely basis and who wish to
tender their Shares must do so pursuant to the guaranteed delivery procedure
described in Section 3 of the Offer to Purchase. See Instruction 2.

/ / CHECK HERE IF SHARES ARE BEING DELIVERED BY BOOK-ENTRY TRANSFER TO THE
DEPOSITARY'S ACCOUNT AT ONE OF THE BOOK-ENTRY TRANSFER FACILITIES AND
COMPLETE THE FOLLOWING:

Name of Tendering Institution _____

Check Box of Applicable Book-Entry Transfer Facility:
(CHECK ONE) / / DTC / / MSTC / / PDTC

Account Number _____ Transaction Code Number _____

/ / CHECK HERE IF SHARES ARE BEING TENDERED PURSUANT TO A NOTICE OF GUARANTEED
DELIVERY PREVIOUSLY SENT TO THE DEPOSITARY AND COMPLETE THE FOLLOWING:

Name(s) of Registered Holder(s) _____

Window Ticket No. (if any) _____

Date of Execution of Notice of Guaranteed Delivery _____

Name of Institution which Guaranteed Delivery _____

DESCRIPTION OF SHARES TENDERED
NAMES(S) AND ADDRESS(ES) OF REGISTERED HOLDER(S)
(PLEASE FILL IN, IF BLANK, EXACTLY AS NAME(S)
APPEAR(S) ON SHARE CERTIFICATE(S))

SHARE CERTIFICATE(S) AND SHARE(S) TENDERED
(ATTACH ADDITIONAL LIST, IF NECESSARY)
TOTAL NUMBER
OF SHARES
SHARE EVIDENCED BY NUMBER OF
CERTIFICATE SHARE CERTIFICATE(S)* SHARES
NUMBER(S)* TENDERED**

Total Shares.....

* Need not be completed by stockholders delivering Shares by book-entry transfer.

** Unless otherwise indicated, it will be assumed that all Shares evidenced by each Share Certificate delivered to the Depository are being tendered hereby. See Instruction 4.

NOTE: SIGNATURES MUST BE PROVIDED BELOW
PLEASE READ THE INSTRUCTIONS SET FORTH
IN THIS LETTER OF TRANSMITTAL CAREFULLY

Ladies and Gentlemen:

The undersigned hereby tenders to Viacom Inc., a Delaware corporation ("Purchaser"), the above-described shares of Common Stock, par value \$1.00 per share, of Paramount Communications Inc., a Delaware corporation (the "Company") (all shares of such Common Stock from time to time outstanding being, collectively, the "Shares") pursuant to Purchaser's offer to purchase 61,657,432 Shares, or such greater number of Shares as equals 50.1% of the Shares outstanding plus the Shares issuable upon the exercise of the then exercisable stock options, as of the expiration of the Offer, at \$107 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase dated October 25, 1993 (the "Offer to Purchase"), as amended and supplemented by the Supplement thereto dated November 8, 1993 (the "First Supplement"), the Second Supplement thereto dated January 7, 1994 (the "Second Supplement"), the Third Supplement thereto dated January 18, 1994, and the Fourth Supplement thereto dated February 1, 1994 (the "Fourth Supplement"; and together with the First Supplement, the Second Supplement and the Third Supplement, the "Supplements"), receipt of which is hereby acknowledged, and in the related Letters of Transmittal (which together constitute the "Offer"). The undersigned understands that Purchaser reserves the right to transfer or assign, in whole or from time to time in part, to one or more of its affiliates, the right to purchase all or any portion of the Shares tendered pursuant to the Offer.

Subject to, and effective upon, acceptance for payment of the Shares tendered herewith, in accordance with the terms of the Offer (including, if the Offer is further extended or amended, the terms and conditions of such extension or amendment), the undersigned hereby sells, assigns and transfers to, or upon the order of, Purchaser all right, title and interest in and to all the Shares that are being tendered hereby and all dividends, distributions (including, without limitation, distributions of additional Shares) and rights declared, paid or distributed in respect of such Shares on or after January 21, 1994, except for regular quarterly dividends on the Shares declared and payable consistent with past practice in an aggregate amount not in excess of \$.20 per Share (collectively, "Distributions"), and irrevocably appoints the Depositary the true and lawful agent and attorney-in-fact of the undersigned with respect to such Shares and all Distributions, with full power of substitution (such power of attorney being deemed to be an irrevocable power coupled with an interest), to (i) deliver Share Certificates evidencing such Shares and all Distributions, or transfer ownership of such Shares and all Distributions on the account books maintained by a Book-Entry Transfer Facility, together, in either case, with all accompanying evidences of transfer and authenticity, to or upon the order of Purchaser, (ii) present such Shares and all Distributions for transfer on the books of the Company and (iii) receive all benefits and otherwise exercise all rights of beneficial ownership of such Shares and all Distributions, all in accordance with the terms of the Offer.

The undersigned hereby irrevocably appoints Frank J. Biondi, Jr. and Philippe P. Dauman, and each of them, as the attorneys and proxies of the undersigned, each with full power of substitution, to vote in such manner as each such attorney and proxy or his substitute shall, in his sole discretion, deem proper and otherwise act (by written consent or otherwise) with respect to all the Shares tendered hereby which have been accepted for payment by Purchaser prior to the time of such vote or other action and all Shares and other securities issued in Distributions in respect of such Shares, which the undersigned is entitled to vote at any meeting of stockholders of the Company (whether annual or special and whether or not an adjourned or postponed meeting) or consent in lieu of any such meeting or otherwise. This proxy and power of attorney is coupled with an interest in the Shares tendered hereby, is irrevocable and is granted in consideration of, and is effective upon, the acceptance for payment of such Shares by Purchaser in accordance with the terms of the Offer. Such acceptance for payment shall revoke all other proxies and powers of attorney granted by the undersigned at any time with respect to such Shares (and all Shares and other securities issued in Distributions in respect of such Shares), and no subsequent proxy or power of attorney shall be given or written consent executed (and if given or executed, shall not be effective) by the undersigned with respect thereto. The undersigned understands that, in order for Shares to be deemed validly tendered, immediately upon Purchaser's acceptance of such Shares for payment, Purchaser must be able to exercise full voting and other rights with respect to such Shares, including, without limitation, voting at any meeting of the Company's stockholders then scheduled.

The undersigned hereby represents and warrants that the undersigned has full power and authority to tender, sell, assign and transfer the Shares tendered hereby and all Distributions, that the tender of the tendered Shares complies with Rule 14e-4 under the Securities Exchange Act of 1934, as amended, and that when such Shares are accepted for payment by Purchaser, Purchaser will acquire good, marketable and unencumbered title thereto and to all Distributions, free and clear of all liens, restrictions, charges and encumbrances, and that none of such Shares and Distributions will be subject to any adverse claim. The undersigned, upon request, shall execute and deliver all additional documents deemed by the Depositary or Purchaser to be necessary or desirable to complete the sale, assignment and transfer of the Shares tendered hereby and all Distributions. In addition, the undersigned shall remit and transfer promptly to the Depositary for the account of Purchaser all Distributions in respect of the Shares tendered hereby, accompanied by appropriate documentation of transfer, and, pending such remittance and transfer or appropriate assurance thereof, Purchaser shall be entitled to all rights and privileges as owner of each such Distribution and may withhold the entire purchase price of the Shares tendered hereby, or deduct from such purchase

price, the amount or value of such Distribution as determined by Purchaser in its sole discretion.

No authority herein conferred or agreed to be conferred shall be affected by, and all such authority shall survive, the death or incapacity of the undersigned. All obligations of the undersigned hereunder shall be binding upon the heirs, personal representatives, successors and assigns of the undersigned. Except as stated in the Offer to Purchase, this tender is irrevocable.

The undersigned understands that tenders of Shares pursuant to any one of the procedures described in Section 3 of the Offer to Purchase and in the instructions hereto will constitute the undersigned's acceptance of the terms and conditions of the Offer. Purchaser's acceptance of such Shares for payment will constitute a binding agreement between the undersigned and Purchaser upon the terms and subject to the conditions of the Offer.

Unless otherwise indicated herein in the box entitled "Special Payment Instructions", please issue the check for the purchase price of all Shares purchased, and return all Share Certificates evidencing Shares not purchased or not tendered in the name(s) of the registered holder(s) appearing above under "Description of Shares Tendered". Similarly, unless otherwise indicated in the box entitled "Special Delivery Instructions", please mail the check for the purchase price of all Shares purchased and all Share Certificates evidencing Shares not tendered or not purchased (and accompanying documents, as appropriate) to the address(es) of the registered holder(s) appearing above under "Description of Shares Tendered". In the event that the boxes entitled "Special Payment Instructions" and "Special Delivery Instructions" are both completed, please issue the check for the purchase price of all Shares purchased and return all Share Certificates evidencing Shares not purchased or not tendered in the name(s) of, and mail such check and Share Certificates to, the person(s) so indicated. Unless otherwise indicated herein in the box entitled "Special Payment Instructions", please credit any Shares tendered hereby and delivered by book-entry transfer, but which are not purchased by crediting the account at the Book-Entry Transfer Facility designated above. The undersigned recognizes that Purchaser has no obligation, pursuant to the Special Payment Instructions, to transfer any Shares from the name of the registered holder(s) thereof if Purchaser does not purchase any of the Shares tendered hereby.

SPECIAL PAYMENT INSTRUCTIONS
(SEE INSTRUCTIONS 1, 5, 6 AND 7)

To be completed ONLY if the check for the purchase price of Shares purchased or Share Certificates evidencing Shares not tendered or not purchased are to be issued in the name of someone other than the undersigned, or if Shares tendered hereby and delivered by book-entry transfer which are not purchased are to be returned by credit to an account at one of the Book-Entry Transfer Facilities other than that designated above.

Issue // check // Share Certificate(s) to:

Name
(PLEASE PRINT)

Address
.....
(ZIP CODE)

.....
(TAXPAYER IDENTIFICATION OR SOCIAL SECURITY NUMBER)
(SEE SUBSTITUTE FORM W-9 ON REVERSE SIDE)

// Credit Shares delivered by book-entry transfer and not purchased to the account set forth below:

Check appropriate box:

// DTC // MSTC // PDTC

Account Number

SPECIAL DELIVERY INSTRUCTIONS
(SEE INSTRUCTIONS 1, 5, 6 AND 7)

To be completed ONLY if the check for the purchase price of Shares purchased or Share Certificates evidencing Shares not tendered or not purchased are to be mailed to someone other than the undersigned, or to the undersigned at an address other than that shown under "Description of Shares Tendered".

Mail // check // Share Certificates(s) to:

Name
(PLEASE PRINT)

Address
.....
(ZIP CODE)

IMPORTANT
STOCKHOLDERS: SIGN HERE
(PLEASE COMPLETE SUBSTITUTE FORM W-9 ON REVERSE)

SIGNATURE(S) OF HOLDER(S)

Dated: _____, 199_

(Must be signed by registered holder(s) exactly as name(s) appear(s) on Share Certificates or on a security position listing or by person(s) authorized to become registered holder(s) by certificates and documents transmitted herewith. If signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, please provide the following information and see Instruction 5.)

Name(s): _____

(PLEASE PRINT)

Capacity (full title): _____

Address: _____

(INCLUDE ZIP CODE)

Area Code and Telephone No.: _____

Taxpayer Identification or Social Security No.: _____
(SEE SUBSTITUTE FORM W-9 ON REVERSE SIDE)

GUARANTEE OF SIGNATURE(S)
(IF REQUIRED--SEE INSTRUCTIONS 1 AND 5)

FOR USE BY FINANCIAL INSTITUTIONS ONLY. PLACE MEDALLION GUARANTEE IN SPACE

INSTRUCTIONS
FORMING PART OF THE TERMS AND CONDITIONS OF THE OFFER

1. Guarantee of Signatures. All signatures on this Letter of Transmittal must be medallion guaranteed by a firm which is a member of a registered national securities exchange or of the National Association of Securities Dealers, Inc., by a commercial bank or trust company having an office or correspondent in the United States, or by any other "eligible guarantor institution", as such term is defined in Rule 17Ad-15 under the Securities Exchange Act of 1934, as amended (each of the foregoing being referred to as an "Eligible Institution"), unless (i) this Letter of Transmittal is signed by the registered holder(s) of the Shares (which term, for purposes of this document, shall include any participant in a Book-Entry Transfer Facility whose name appears on a security position listing as the owner of Shares) tendered hereby and such holder(s) has (have) completed neither the box entitled "Special Payment Instructions" nor the box entitled "Special Delivery Instructions" on the reverse hereof or (ii) such Shares are tendered for the account of an Eligible Institution. See Instruction 5.

2. Delivery of Letter of Transmittal and Share Certificates. This Letter of Transmittal is to be used either if Share Certificates are to be forwarded herewith or if Shares are to be delivered by book-entry transfer pursuant to the procedure set forth in Section 3 of the Offer to Purchase. Share Certificates evidencing all physically tendered Shares, or a confirmation of a book-entry transfer into the Depository's account at a Book-Entry Transfer Facility of all Shares delivered by book-entry transfer as well as a properly completed and duly executed Letter of Transmittal (or facsimile thereof) and any other documents required by this Letter of Transmittal, must be received by the Depository at one of its addresses set forth on the reverse hereof prior to the Expiration Date (as defined in Section 1 of the Offer to Purchase). If Share Certificates are forwarded to the Depository in multiple deliveries, a properly completed and duly executed Letter of Transmittal must accompany each such delivery. Stockholders whose Share Certificates are not immediately available, who cannot deliver their Share Certificates and all other required documents to the Depository prior to the Expiration Date or who cannot complete the procedure for delivery by book-entry transfer on a timely basis may tender their Shares pursuant to the guaranteed delivery procedure described in Section 3 of the Offer to Purchase. Pursuant to such procedure: (i) such tender must be made by or through an Eligible Institution; (ii) a properly completed and duly executed Notice of Guaranteed Delivery, substantially in the form made available by Purchaser, must be received by the Depository prior to the Expiration Date; and (iii) the Share Certificates evidencing all physically delivered Shares in proper form for transfer by delivery, or a confirmation of a book-entry transfer into the Depository's account at a Book-Entry Transfer Facility of all Shares delivered by book-entry transfer, in each case together with a Letter of Transmittal (or a facsimile thereof), properly completed and duly executed, with any required signature guarantees, and any other documents required by this Letter of Transmittal, must be received by the Depository within five New York Stock Exchange, Inc. ("NYSE") trading days after the date of execution of such Notice of Guaranteed Delivery, all as described in Section 3 of the Offer to Purchase.

THE METHOD OF DELIVERY OF THIS LETTER OF TRANSMITTAL, SHARE CERTIFICATES AND ALL OTHER REQUIRED DOCUMENTS, INCLUDING DELIVERY THROUGH ANY BOOK-ENTRY TRANSFER FACILITY, IS AT THE OPTION AND RISK OF THE TENDERING STOCKHOLDER, AND THE DELIVERY WILL BE DEEMED MADE ONLY WHEN ACTUALLY RECEIVED BY THE DEPOSITARY. IF DELIVERY IS BY MAIL, REGISTERED MAIL WITH RETURN RECEIPT REQUESTED, PROPERLY INSURED, IS RECOMMENDED. IN ALL CASES, SUFFICIENT TIME SHOULD BE ALLOWED TO ENSURE TIMELY DELIVERY.

No alternative, conditional or contingent tenders will be accepted and no fractional Shares will be purchased. By execution of this Letter of Transmittal (or a facsimile hereof), all tendering stockholders waive any right to receive any notice of the acceptance of their Shares for payment.

3. Inadequate Space. If the space provided herein under "Description of Shares Tendered" is inadequate, the Share Certificate numbers, the number of Shares evidenced by such Share Certificates and the number of Shares tendered should be listed on a separate schedule and attached hereto.

4. Partial Tenders (not applicable to stockholders who tender by book-entry transfer). If fewer than all the Shares evidenced by any Share Certificate delivered to the Depository herewith are to be tendered hereby, fill in the number of Shares which are to be tendered in the box entitled "Number of Shares Tendered". In such cases, new Share Certificate(s) evidencing the remainder of the Shares that were evidenced by the Share Certificates delivered to the Depository herewith will be sent to the person(s) signing this Letter of Transmittal, unless otherwise provided in the box entitled "Special Delivery Instructions" on the reverse hereof, as soon as practicable after the expiration or termination of the Offer. All Shares evidenced by Share Certificates delivered to the Depository will be deemed to have been tendered unless otherwise indicated.

5. Signatures on Letter of Transmittal; Stock Powers and Endorsements. If this Letter of Transmittal is signed by the registered holder(s) of the Shares tendered hereby, the signature(s) must correspond with the name(s) as written on the face of the Share Certificates evidencing such Shares without alteration, enlargement or any other change whatsoever.

If any Share tendered hereby is owned of record by two or more persons, all such persons must sign this Letter of Transmittal.

If any of the Shares tendered hereby are registered in the names of different holders, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of such Shares.

If this Letter of Transmittal is signed by the registered holder(s) of the Shares tendered hereby, no endorsements of Share Certificates or separate stock powers are required, unless payment is to be made to, or Share Certificates evidencing Shares not tendered or not purchased are to be issued in the name of, a person other than the registered holder(s), in which case the Share Certificate(s) evidencing the Shares tendered hereby must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name(s) of the registered holder(s) appear(s) on such Share Certificate(s). Signatures on such Share Certificate(s) and stock powers must be guaranteed by an Eligible Institution.

If this Letter of Transmittal is signed by a person other than the registered holder(s) of the Shares tendered hereby, the Share Certificate(s) evidencing the Shares tendered hereby must be endorsed or accompanied by appropriate stock powers, in either case signed exactly as the name(s) of the registered holder(s) appear(s) on such Share Certificate(s). Signatures on such Share Certificate(s) and stock powers must be guaranteed by an Eligible Institution.

If this Letter of Transmittal or any Share Certificate or stock power is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or other person acting in a fiduciary or representative capacity, such person should so indicate when signing, and proper evidence satisfactory to Purchaser of such person's authority so to act must be submitted.

6. Stock Transfer Taxes. Except as otherwise provided in this Instruction 6, Purchaser will pay all stock transfer taxes with respect to the sale and transfer of any Shares to it or its order pursuant to the Offer. If, however, payment of the purchase price of any Shares purchased is to be made to, or Share Certificate(s) evidencing Shares not tendered or not purchased are to be issued in the name of, a person other than the registered holder(s), the amount of any stock transfer taxes (whether imposed on the registered holder(s), such other person or otherwise) payable on account of the transfer to such other person will be deducted from the purchase price of such Shares purchased, unless evidence satisfactory to Purchaser of the payment of such taxes, or exemption therefrom, is submitted. Except as provided in this Instruction 6, it will not be necessary for transfer tax stamps to be affixed to the Share Certificates evidencing the Shares tendered hereby.

7. Special Payment and Delivery Instructions. If a check for the purchase price of any Shares tendered hereby is to be issued, or Share Certificate(s) evidencing Shares not tendered or not purchased are to be issued, in the name of a person other than the person(s) signing this Letter of Transmittal or if such check or any such Share Certificate is to be sent to someone other than the person(s) signing this Letter of Transmittal or to the person(s) signing this Letter of Transmittal but at an address other than that shown in the box entitled "Description of Shares Tendered" on the reverse hereof, the appropriate boxes on the reverse of this Letter of Transmittal must be completed. Stockholders delivering Shares tendered hereby by book-entry transfer may request that Shares not purchased be credited to such account maintained at a Book-Entry Transfer Facility as such stockholder may designate in the box entitled "Special Payment Instructions" on the reverse hereof. If no such instructions are given, all such Shares not purchased will be returned by crediting the account at the Book-Entry Transfer Facility designated on the reverse hereof as the account from which such Shares were delivered.

8. Questions and Requests for Assistance or Additional Copies. Questions and requests for assistance may be directed to the Information Agent or the Dealer Manager at their respective addresses or telephone numbers set forth below. Additional copies of the Offer to Purchase, the Supplements, this Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained from the Information Agent or from brokers, dealers, commercial banks or trust companies.

9. Substitute Form W-9. Each tendering stockholder is required to provide the Depository with a correct Taxpayer Identification Number ("TIN") on the Substitute Form W-9 which is provided under "Important Tax Information" below, and to certify, under penalties of perjury, that such number is correct and that such stockholder is not subject to backup withholding of federal income tax. If a tendering stockholder has been notified by the Internal Revenue Service that such stockholder is subject to backup withholding, such stockholder must cross out item (2) of the Certification box of the Substitute Form W-9, unless such stockholder has since been notified by the Internal Revenue Service that such stockholder is no longer subject to backup withholding. Failure to provide the information on the Substitute Form W-9 may subject the tendering stockholder to 31% federal income tax withholding on the payment of the purchase price of all Shares purchased from such stockholder. If the tendering stockholder has not been issued a TIN and has applied for one or intends to apply for one in the near future, such stockholder should write "Applied For" in the space provided for the TIN in Part I of the Substitute Form W-9, and sign and date the Substitute Form W-9. If "Applied For" is written in Part I and the Depository is not provided with a TIN within 60 days, the Depository will withhold 31% on all payments of the purchase price to such stockholder until a TIN is provided to the Depository.

IMPORTANT: THIS LETTER OF TRANSMITTAL OR A FACSIMILE HEREOF, PROPERLY COMPLETED AND DULY EXECUTED, (TOGETHER WITH ANY REQUIRED SIGNATURE GUARANTEES AND SHARE CERTIFICATES OR CONFIRMATION OF BOOK-ENTRY TRANSFER AND ALL OTHER REQUIRED DOCUMENTS) OR A PROPERLY COMPLETED AND DULY EXECUTED NOTICE OF

GUARANTEED DELIVERY MUST BE RECEIVED BY THE DEPOSITARY PRIOR TO THE EXPIRATION DATE.

IMPORTANT TAX INFORMATION

Under the federal income tax law, a stockholder whose tendered Shares are accepted for payment is required by law to provide the Depository (as payer) with such stockholder's correct TIN on Substitute Form W-9 below. If such stockholder is an individual, the TIN is such stockholder's social security number. If the Depository is not provided with the correct TIN, the stockholder may be subject to a \$50 penalty imposed by the Internal Revenue Service. In addition, payments that are made to such stockholder with respect to Shares purchased pursuant to the Offer may be subject to backup withholding of 31%.

Certain stockholders (including, among others, all corporations and certain foreign individuals) are not subject to these backup withholding and reporting requirements. In order for a foreign individual to qualify as an exempt recipient, such individual must submit a statement, signed under penalties of perjury, attesting to such individual's exempt status. Forms of such statements can be obtained from the Depository. See the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional instructions.

If backup withholding applies, the Depository is required to withhold 31% of any payments made to the stockholder. Backup withholding is not an additional tax. Rather, the tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a refund may be obtained from the Internal Revenue Service.

PURPOSE OF SUBSTITUTE FORM W-9

To prevent backup withholding on payments that are made to a stockholder with respect to Shares purchased pursuant to the Offer, the stockholder is required to notify the Depository of such stockholder's correct TIN by completing the form below certifying (a) that the TIN provided on Substitute Form W-9 is correct (or that such stockholder is awaiting a TIN), and (b) that (i) such stockholder has not been notified by the Internal Revenue Service that such stockholder is subject to backup withholding as a result of a failure to report all interest or dividends or (ii) the Internal Revenue Service has notified such stockholder that such stockholder is no longer subject to backup withholding.

WHAT NUMBER TO GIVE THE DEPOSITARY

The stockholder is required to give the Depository the social security number or employer identification number of the record holder of the Shares tendered hereby. If the Shares are in more than one name or are not in the name of the actual owner, consult the enclosed Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9 for additional guidance on which number to report. If the tendering stockholder has not been issued a TIN and has applied for a number or intends to apply for a number in the near future, the stockholder should write "Applied For" in the space provided for the TIN in Part I, and sign and date the Substitute Form W-9. If "Applied For" is written in Part I and the Depository is not provided with a TIN within 60 days, the Depository will withhold 31% of all payments of the purchase price to such stockholder until a TIN is provided to the Depository.

PAYER'S NAME: FIRST CHICAGO TRUST COMPANY OF NEW YORK

SUBSTITUTE
FORM W-9
DEPARTMENT OF THE
TREASURY
INTERNAL REVENUE
SERVICE

Payer's Request for
Taxpayer Identification
Number (TIN)

Part I--Taxpayer Identification Number--
For all accounts, enter taxpayer
identification number in the box at right.
(For most individuals, this is your social
security number. If you do not have a
number, see Obtaining a Number in the
enclosed Guidelines.) Certify by signing
and dating below.

Note: If the account is in more than one
name, see the chart in the enclosed
Guidelines to determine which number to
give the payer.

Part II--For Payees Exempt From Backup Withholding,
see the enclosed Guidelines and complete as
instructed therein.

Social Security Number

OR _____
Employer Identification
Number

(If awaiting TIN write
"Applied For")

Certification--Under penalties of perjury, I certify that:

- (1) The number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me), and
- (2) I am not subject to backup withholding either because I have not been notified by the Internal Revenue Service (the "IRS") that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the IRS has notified me that I am no longer subject to backup withholding.

Certificate Instructions--You must cross out item (2) above if you have been notified by the IRS that you are subject to backup withholding because of underreporting interest or dividends on your tax return. However, if after being notified by the IRS that you were subject to backup withholding you received another notification from the IRS that you are no longer subject to backup withholding, do not cross out item (2). (Also see instructions in the enclosed Guidelines.)

SIGNATURE _____ DATE _____, 199

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF 31% OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.

The Information Agent for the Offer is:

[GEORGESON LOGO]

Wall Street Plaza
New York, New York 10005
(212) 509-6240 (collect)

Bankers and Brokers call
(212) 440-9800

Call Toll Free: 1-800-223-2064

The Dealer Manager for the Offer is:

SMITH BARNEY SHEARSON INC.
1345 Avenue of the Americas
48th Floor
New York, NY 10105
(212) 698-8455

February 1, 1994

NOTICE OF GUARANTEED DELIVERY
FOR
TENDER OF SHARES OF COMMON STOCK
OF
PARAMOUNT COMMUNICATIONS INC.
(NOT TO BE USED FOR SIGNATURE GUARANTEES)

This Notice of Guaranteed Delivery, or one substantially in the form hereof, must be used to accept the Offer (as defined below) (i) if certificates ("Share Certificates") evidencing shares of Common Stock, par value \$1.00 per share (the "Shares"), of Paramount Communications Inc., a Delaware corporation (the "Company"), are not immediately available, (ii) if Share Certificates and all other required documents cannot be delivered to First Chicago Trust Company of New York, as Depository (the "Depository"), prior to the Expiration Date (as defined in Section 1 of the Offer to Purchase (as defined below)) or (iii) if the procedure for delivery by book-entry transfer cannot be completed on a timely basis. This Notice of Guaranteed Delivery may be delivered by hand or mail or transmitted by telegram or facsimile transmission to the Depository. See Section 3 of the Offer to Purchase.

THE DEPOSITARY FOR THE OFFER IS:
FIRST CHICAGO TRUST COMPANY OF NEW YORK

By Mail:
P.O. Box 2562
Suite Box 4660
Jersey City, New Jersey
07303-2562

By Facsimile
Transmission:
(201) 222-4720
or
(201) 222-4721
Confirm by Telephone:
(201) 222-4707

By Hand or Overnight Courier:
14 Wall Street,
8th Floor
Suite 4680
New York, New York 10005

Delivery of this Notice of Guaranteed Delivery to an address other than as set forth above, or transmission of instructions via facsimile transmission other than as set forth above, will not constitute a valid delivery.

This form is not to be used to guarantee signatures. If a signature on a Letter of Transmittal is required to be guaranteed by an "Eligible Institution" under the instructions thereto, such signature guarantee must appear in the applicable space provided in the signature box on the Letter of Transmittal.

Ladies and Gentlemen:

The undersigned hereby tenders to Viacom Inc., a Delaware corporation, upon the terms and subject to the conditions set forth in the Offer to Purchase dated October 25, 1993 (the "Offer to Purchase"), as amended and supplemented by the Supplement thereto dated November 8, 1993 (the "First Supplement"), the Second Supplement thereto dated January 7, 1994 (the "Second Supplement"), the Third Supplement thereto dated January 18, 1994 (the "Third Supplement"), and the Fourth Supplement thereto dated February 1, 1994 (the "Fourth Supplement"; together with the First Supplement, the Second Supplement and the Third Supplement, the "Supplements"), and the related Letters of Transmittal (which together constitute the "Offer"), receipt of each of which is hereby acknowledged, the number of Shares specified below pursuant to the guaranteed delivery procedure described in Section 3 of the Offer to Purchase.

Number of Shares: _____

Signature(s) of Holder(s)

Certificate Nos. (If Available): _____ Dated: _____, 1994

Name(s) of Holders:

Please Type or Print

Check one box if Shares will be delivered by book-entry transfer:

Address

/ / The Depository Trust Company

/ / Midwest Securities Trust Company

/ / Philadelphia Depository Trust Company

Zip Code

Account No. _____

Area Code and Telephone No.

GUARANTEE
(NOT TO BE USED FOR SIGNATURE GUARANTEE)

The undersigned, a firm which is a member of a registered national securities exchange or of the National Association of Securities Dealers, Inc. or which is a commercial bank or trust company having an office or correspondent in the United States, guarantees to deliver to the Depository, at one of its addresses set forth above, Share Certificates evidencing the Shares tendered hereby, in proper form for transfer, or confirmation of book-entry transfer of such Shares into the Depository's account at The Depository Trust Company, the Midwest Securities Trust Company or the Philadelphia Depository Trust Company, in each case with delivery of a Letter of Transmittal (or facsimile thereof) properly completed and duly executed, and any other required documents, all within five New York Stock Exchange, Inc. trading days of the date hereof.

Name of Firm	Authorized Signature
Address	Title
Zip Code	Name: _____ Please Type or Print
Area Code and Telephone No.	Dated: _____, 1994

DO NOT SEND SHARE CERTIFICATES WITH THIS NOTICE.
SHARE CERTIFICATES SHOULD BE SENT WITH YOUR LETTER
OF TRANSMITTAL.

VIACOM INC.

HAS AMENDED ITS
OFFER TO PURCHASE FOR CASH
61,657,432 SHARES OF COMMON STOCK
OF

PARAMOUNT COMMUNICATIONS INC.
AT

\$107 NET PER SHARE

THE OFFER HAS BEEN EXTENDED. THE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON MONDAY, FEBRUARY 14, 1994, UNLESS THE OFFER IS FURTHER EXTENDED.

February 1, 1994

To Brokers, Dealers, Commercial Banks,
Trust Companies and Other Nominees:

We have been appointed by Viacom Inc., a Delaware corporation ("Purchaser"), to act as Dealer Manager in connection with Purchaser's offer to purchase 61,657,432 shares of Common Stock, par value \$1.00 per share (the "Shares"), of Paramount Communications Inc., a Delaware corporation (the "Company"), or such greater number of Shares as equals 50.1% of the Shares outstanding plus the Shares issuable upon the exercise of the then exercisable stock options, as of the expiration of the Offer, at a price of \$107 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in Purchaser's Offer to Purchase dated October 25, 1993 (the "Offer to Purchase"), as amended and supplemented by the Supplement thereto dated November 8, 1993 (the "First Supplement"), the Second Supplement thereto dated January 7, 1994 (the "Second Supplement"), the Third Supplement thereto dated January 18, 1994 (the "Third Supplement") and the Fourth Supplement thereto dated February 1, 1994 (the "Fourth Supplement"; and together with the First Supplement, the Second Supplement and the Third Supplement, the "Supplements") and in the related Letters of Transmittal (which together constitute the "Offer"). Please furnish copies of the enclosed materials to those of your clients for whose accounts you hold Shares registered in your name or in the name of your nominee.

THE OFFER IS CONDITIONED UPON, AMONG OTHER THINGS, 61,657,432 SHARES, OR SUCH GREATER NUMBER OF SHARES AS EQUALS 50.1% OF THE SHARES OUTSTANDING PLUS THE SHARES ISSUABLE UPON THE EXERCISE OF THE THEN EXERCISABLE STOCK OPTIONS, AS OF THE EXPIRATION OF THE OFFER, BEING VALIDLY TENDERED AND NOT WITHDRAWN PRIOR TO THE EXPIRATION OF THE OFFER. THE OFFER IS ALSO SUBJECT TO OTHER TERMS AND CONDITIONS.

Enclosed for your information and use are copies of the following documents:

1. The Fourth Supplement, dated February 1, 1994;
2. The revised (Orange) Letter of Transmittal to be used by holders of Shares in accepting the Offer and tendering Shares;
3. The revised (Yellow) Notice of Guaranteed Delivery to be used to accept the Offer if the Shares and all other required documents are not immediately available or cannot be delivered to First Chicago Trust Company of New York (the "Depository") by the Expiration Date (as defined in the Fourth Supplement) or if the procedure for book-entry transfer cannot be completed by the Expiration Date;
4. A revised letter which may be sent to your clients for whose accounts you hold Shares registered in your name or in the name of your nominee, with space provided for obtaining such clients' instructions with regard to the Offer;
5. Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9; and
6. Return envelope addressed to the Depository.

WE URGE YOU TO CONTACT YOUR CLIENTS AS PROMPTLY AS POSSIBLE. THE OFFER HAS BEEN EXTENDED. PLEASE NOTE THAT THE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON MONDAY, FEBRUARY 14, 1994, UNLESS THE OFFER IS FURTHER EXTENDED.

In all cases, payment for Shares accepted for payment pursuant to the Offer will be made only after timely receipt by the Depository of certificates evidencing such Shares (or a confirmation of a book-entry transfer of such Shares into the Depository's account at one of the Book-Entry Transfer Facilities (as defined in the Offer to Purchase)), a Letter of Transmittal (or facsimile thereof) properly completed and duly executed and any other required documents in accordance with the instructions contained in the Letter of

Transmittal.

Tendering shareholders may use the revised (Orange) Letter of Transmittal provided herewith or the previously circulated (Orange), (Yellow) or (Green) Letters of Transmittal provided with the Offer to Purchase, the First Supplement, the Second Supplement and the Third Supplement to tender Shares. If you or your clients have previously tendered (and not withdrawn) Shares, no further action is necessary in order to tender such Shares.

If a holder of Shares desires to tender Shares, but cannot deliver such holder's certificates or other required documents, or cannot comply with the procedure for book-entry transfer, prior to the expiration of the Offer, a tender of Shares may be effected by following the guaranteed delivery procedure described in Section 3 of the Offer to Purchase.

Purchaser will not pay any fees or commissions to any broker, dealer or other person (other than the Dealer Manager, the Depositary and the Information Agent as described in the Offer) in connection with the solicitation of tenders of Shares pursuant to the Offer. However, Purchaser will reimburse you, upon request, for customary mailing and handling expenses incurred by you in forwarding any of the enclosed materials to your clients. Purchaser will pay or cause to be paid any stock transfer taxes payable with respect to the transfer of Shares to it, except as otherwise provided in Instruction 6 of the revised (Orange) Letter of Transmittal.

Any inquiries you may have with respect to the Offer should be addressed to Smith Barney Shearson Inc. or Georgeson & Company Inc. (the "Information Agent") at their respective addresses and telephone numbers set forth on the back cover page of the Fourth Supplement.

Additional copies of the enclosed material may be obtained from the Information Agent at the address and telephone numbers set forth on the back cover page of the Fourth Supplement.

Very truly yours,
SMITH BARNEY SHEARSON INC.

NOTHING CONTAINED HEREIN OR IN THE ENCLOSED DOCUMENTS SHALL CONSTITUTE YOU OR ANY OTHER PERSON THE AGENT OF PURCHASER, THE DEALER MANAGER, THE INFORMATION AGENT OR THE DEPOSITARY, OR OF ANY AFFILIATE OF ANY OF THEM, OR AUTHORIZE YOU OR ANY OTHER PERSON TO USE ANY DOCUMENT OR TO MAKE ANY STATEMENT ON BEHALF OF ANY OF THEM IN CONNECTION WITH THE OFFER OTHER THAN THE ENCLOSED DOCUMENTS AND THE STATEMENTS CONTAINED THEREIN.

VIACOM INC.

HAS AMENDED ITS
OFFER TO PURCHASE FOR CASH
61,657,432 SHARES OF COMMON STOCK
OF

PARAMOUNT COMMUNICATIONS INC.
AT

\$107 NET PER SHARE

THE OFFER HAS BEEN EXTENDED. THE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON MONDAY, FEBRUARY 14, 1994, UNLESS THE OFFER IS FURTHER EXTENDED.

To Our Clients:

Enclosed for your consideration is a Fourth Supplement dated February 1, 1994 (the "Fourth Supplement") to the Offer to Purchase dated October 25, 1993 (the "Offer to Purchase") as supplemented by the Supplement thereto dated November 8, 1993 (the "First Supplement"), the Second Supplement thereto dated January 7, 1994 (the "Second Supplement"), and the Third Supplement thereto dated January 18, 1994 (the "Third Supplement"; and together with the First Supplement, the Second Supplement and the Fourth Supplement, the "Supplements") and the revised (Orange) Letter of Transmittal in connection with the offer by Viacom Inc., a Delaware corporation ("Purchaser"), to purchase 61,657,432 shares of Common Stock, par value \$1.00 per share (the "Shares"), of Paramount Communications Inc., a Delaware corporation (the "Company"), or such greater number of Shares as equals 50.1% of the Shares outstanding plus the Shares issuable upon the exercise of the then exercisable stock options, as of the expiration of the Offer, at a price of \$107 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase, as amended and supplemented by the Supplements, and in the related Letters of Transmittal (which together constitute the "Offer"). We are the holder of record of Shares held by us for your account. A TENDER OF SUCH SHARES CAN BE MADE ONLY BY US AS THE HOLDER OF RECORD AND PURSUANT TO YOUR INSTRUCTIONS. THE REVISED (ORANGE) LETTER OF TRANSMITTAL IS FURNISHED TO YOU FOR YOUR INFORMATION ONLY AND CANNOT BE USED BY YOU TO TENDER SHARES HELD BY US FOR YOUR ACCOUNT. IF YOU HAVE ALREADY INSTRUCTED US TO TENDER YOUR SHARES PURSUANT TO THE OFFER, IT IS NOT NECESSARY FOR YOU TO TAKE ANY FURTHER ACTION IN ORDER TO RECEIVE THE TENDER PRICE OF \$107 PER SHARE.

We request instructions as to whether you wish to have us tender on your behalf any or all of the Shares held by us for your account, upon the terms and subject to the conditions set forth in the Offer.

Your attention is invited to the following:

1. The tender price is \$107 per Share, net to the seller in cash.
2. The Offer is being made for 61,657,432 Shares, or such greater number of Shares as equals 50.1% of the Shares outstanding plus the Shares issuable upon the exercise of the then exercisable stock options, as of the expiration of the Offer. If more than 61,657,432 Shares, or such greater number of Shares as equals 50.1% of the Shares outstanding plus the Shares issuable upon the exercise of the then exercisable stock options, as of the expiration of the Offer, are validly tendered prior to the Expiration Date (as defined in the Offer to Purchase) and not withdrawn, Purchaser will, upon the terms and subject to the conditions of the Offer, accept such Shares for payment on a pro rata basis, with adjustments to avoid purchases of fractional shares, based upon the number of Shares validly tendered prior to the Expiration Date and not withdrawn.
3. The Offer has been extended. The Offer, proration period and withdrawal rights will expire at 12:00 Midnight, New York City time, on Monday, February 14, 1994, unless the Offer is further extended.
4. The Offer is conditioned upon, among other things, 61,657,432 Shares, or such greater number of Shares as equals 50.1% of the Shares outstanding plus the Shares issuable upon the exercise of the then exercisable stock options, as of the expiration of the Offer, being validly tendered and not withdrawn prior to the expiration of the Offer.
5. If the Offer is consummated, Purchaser intends to effectuate a second-step merger pursuant to which each Share outstanding at the effective time of such merger would be cancelled and converted into the right to receive (i) .93065 shares of Class B Common Stock, par value \$.01 per share, of Purchaser ("Viacom Class B Common Stock"), (ii) \$17.50 principal amount of 8% exchangeable subordinated debentures of Purchaser, (iii) .93065 contingent value rights issued by Purchaser, (iv) .50 of a warrant to purchase one share of Viacom Class B Common Stock and (v) .30 of a

warrant to purchase one share of Viacom Class B Common Stock, each as more fully described in the Fourth Supplement.

6. Tendering stockholders will not be obligated to pay brokerage fees or commissions or, except as otherwise provided in Instruction 6 of the revised (Orange) Letter of Transmittal, stock transfer taxes with respect to the purchase of Shares by Purchaser pursuant to the Offer.

If you wish to have us tender any or all of your Shares, please so instruct us by completing, executing and returning to us the instruction form contained in this letter. An envelope in which to return your instructions to us is enclosed. If you authorize the tender of your Shares, all such Shares will be tendered unless otherwise specified in your instructions. Your instructions should be forwarded to us in ample time to permit us to submit a tender on your behalf prior to the expiration of the Offer. The Letters of Transmittal are furnished to you for your information only and cannot be used by you to tender Shares held by us for your account.

The Offer is made solely by the Offer to Purchase, the Supplements and the related Letters of Transmittal and is being made to all holders of Shares. Purchaser is not aware of any state where the making of the Offer is prohibited by administrative or judicial action pursuant to any valid state statute. If Purchaser becomes aware of any valid state statute prohibiting the making of the Offer or the acceptance of Shares pursuant thereto, Purchaser will make a good faith effort to comply with such state statute. If, after such good faith effort, Purchaser cannot comply with such state statute, the Offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of Shares in such state. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of Purchaser by Smith Barney Shearson Inc. or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

INSTRUCTIONS WITH RESPECT TO THE
OFFER TO PURCHASE FOR CASH
61,657,432 SHARES OF COMMON STOCK
OF
PARAMOUNT COMMUNICATIONS INC.

The undersigned acknowledge(s) receipt of your letter enclosing the Fourth Supplement dated February 1, 1994 to the Offer to Purchase dated October 25, 1993 as supplemented by the Supplement thereto dated November 8, 1993, the Second Supplement thereto dated January 7, 1994, the Third Supplement thereto dated January 18, 1994 and the revised (Orange) Letter of Transmittal (which together constitute the "Offer") in connection with the offer by Viacom Inc., a Delaware corporation, to purchase 61,657,432 shares of Common Stock, par value \$1.00 per share (the "Shares"), of Paramount Communications Inc., a Delaware corporation, or such greater number of Shares as equals 50.1% of the Shares outstanding plus the Shares issuable upon the exercise of the then exercisable stock options as of the expiration of the Offer.

This will instruct you to tender the number of Shares indicated below (or, if no number is indicated below, all Shares) that are held by you for the account of the undersigned, upon the terms and subject to the conditions set forth in the Offer.

NUMBER OF SHARES TO BE TENDERED:

SIGN HERE

_____ SHARES*

Dated: _____, 1994

Signature(s)

Please type or print name(s)

Please type or print address

Area Code and Telephone Number

Taxpayer Identification or
Social Security Number

- -----

* Unless otherwise indicated, it will be assumed that all Shares held by us for your account are to be tendered.

VIACOM INC.
HAS AMENDED ITS
OFFER TO PURCHASE FOR CASH
61,657,432 SHARES OF COMMON STOCK
OF

PARAMOUNT COMMUNICATIONS INC.
AT
\$107 NET PER SHARE

THE OFFER HAS BEEN EXTENDED. THE OFFER, PRORATION PERIOD AND WITHDRAWAL RIGHTS WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON MONDAY, FEBRUARY 14, 1994, UNLESS THE OFFER IS FURTHER EXTENDED.

February 1, 1994

To Participants in the Dividend Reinvestment Plan of Paramount Communications Inc.:

Enclosed for your consideration is a Fourth Supplement dated February 1, 1994 (the "Fourth Supplement") to the Offer to Purchase dated October 25, 1993 (the "Offer to Purchase") as supplemented by the Supplement thereto dated November 8, 1993 (the "First Supplement"), the Second Supplement thereto dated January 7, 1994 (the "Second Supplement") and the Third Supplement thereto dated January 18, 1994 (the "Third Supplement"; and together with the First Supplement, the Second Supplement and the Fourth Supplement, the "Supplements") and a revised (Orange) Letter of Transmittal in connection with the offer by Viacom Inc., a Delaware corporation ("Purchaser"), to purchase 61,657,432 shares of Common Stock, par value \$1.00 per share (the "Shares"), of Paramount Communications Inc., a Delaware corporation (the "Company"), or such greater number of Shares as equals 50.1% of the Shares outstanding plus the Shares issuable upon the exercise of the then exercisable stock options, as of the expiration of the Offer, at a price of \$107 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase, as amended and supplemented by the Supplements, and in the related Letters of Transmittal (which together constitute the "Offer"). Our nominee is the holder of record of Shares held for your account as a participant in the Dividend Reinvestment Plan of the Company (the "Plan"). A tender of such Shares can be made only by us through our nominee as the holder of record and pursuant to your instructions. The revised (Orange) Letter of Transmittal is furnished to you for your information only and cannot be used by you to tender Shares held in your Plan account. If you have already instructed us to tender your Shares pursuant to the Offer, it is not necessary for you to take any further action in order to receive the tender price of \$107 per Share.

We request instructions as to whether you wish to have us instruct our nominee to tender on your behalf any or all of the Shares held in your Plan account, upon the terms and subject to the conditions set forth in the Offer.

Your attention is directed to the following:

1. The tender price is \$107 per Share, net to the seller in cash.

2. The Offer is being made for 61,657,432 Shares, or such greater number of Shares as equals 50.1% of the Shares outstanding plus the Shares issuable upon the exercise of the then exercisable stock options, as of the expiration of the Offer. If more than 61,657,432 Shares, or such greater number of Shares as equals 50.1% of the Shares outstanding plus the Shares issuable upon the exercise of the then exercisable stock options, as of the expiration of the Offer, are validly tendered prior to the Expiration Date (as defined in the Offer to Purchase) and not withdrawn, Purchaser will, upon the terms and subject to the conditions of the Offer, accept such Shares for payment on a

pro rata basis, with adjustments to avoid purchases of fractional Shares, based upon the number of Shares validly tendered prior to the Expiration Date and not withdrawn.

3. The Offer has been extended. The Offer, proration period and withdrawal rights will expire at 12:00 Midnight, New York City time, on Monday, February 14, 1994, unless the Offer is further extended.

4. The Offer is conditioned upon, among other things, 61,657,432 Shares, or such greater number of Shares as equals 50.1% of the Shares outstanding plus the Shares issuable upon the exercise of the then exercisable stock options, as of the expiration of the Offer, being validly tendered and not withdrawn prior to the expiration of the Offer.

5. If the Offer is consummated, Purchaser intends to effectuate a second-step merger pursuant to which each Share outstanding at the effective time of such merger would be cancelled and converted into the right to receive (i) .93065 shares of Class B Common Stock, par value \$.01 per share, of Purchaser ("Viacom Class B Common Stock"), (ii) \$17.50 principal amount of 8% subordinated debentures of Purchaser, (iii) .93065 contingent value rights issued by Purchaser, (iv) .50 of a warrant to purchase one share of Viacom Class B Common Stock and (v) .30408 of a warrant to purchase one share of Viacom Class B Common Stock, each as more fully described in the Fourth Supplement.

6. Tendering stockholders will not be obligated to pay brokerage fees or commissions or, except as otherwise provided in Instruction 6 of the revised (Orange) Letter of Transmittal, stock transfer taxes with respect to the purchase of Shares by Purchaser pursuant to the Offer. The Letters of Transmittal are furnished to you for your information only and cannot be used by you to tender Shares held by us for your account.

If you wish to have us tender any or all of the Shares held in your Plan account, please so instruct us by completing, executing and returning to us the instruction form contained in this letter BY 5:00 P.M., NEW YORK CITY TIME, ON WEDNESDAY, FEBRUARY 9, 1994, UNLESS THE OFFER IS FURTHER EXTENDED. An envelope in which to return your instructions to us is enclosed. If you authorize tender of such Shares, all such Shares will be tendered unless otherwise specified in your instructions. Your instructions should be forwarded to us in ample time to permit us to instruct our nominee to submit a tender on your behalf prior to the expiration of the Offer.

The Offer is made solely by the Offer to Purchase, the Supplements and the Letters of Transmittal and is being made to all holders of Shares. Purchaser is not aware of any state where the making of the Offer is prohibited by administrative or judicial action pursuant to any valid state statute. If Purchaser becomes aware of any valid state statute prohibiting the making of the Offer or the acceptance of Shares pursuant thereto, Purchaser will make a good faith effort to comply with such state statute. If, after such good faith effort, Purchaser cannot comply with such state statute, the Offer will not be made to (nor will tenders be accepted from or on behalf of) the holders of Shares in such state. In any jurisdiction where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer, the Offer shall be deemed to be made on behalf of Purchaser by Smith Barney Shearson Inc. or one or more registered brokers or dealers licensed under the laws of such jurisdiction.

Very truly yours,

CHEMICAL BANK
Plan Administrator

PAYER'S NAME: CHEMICAL BANK

SUBSTITUTE

FORM W-9

DEPARTMENT OF THE
TREASURY
INTERNAL REVENUE
SERVICE

Part I--Taxpayer Identification Number--
For all accounts, enter taxpayer
identification number in the box at right.
(For most individuals, this is your social
security number. If you do not have a
number, see Obtaining a Number in the
enclosed Guidelines.) Certify by signing
and dating below.
Note: If the account is in more than one
name, see the chart in the enclosed
Guidelines to determine which number to
give the payer.

Social Security Number

OR _____
Employer Identification
Number

(If awaiting TIN write
"Applied For")

Payer's Request for
Taxpayer Identification
Number (TIN)

Part II--For Payees Exempt From Backup Withholding,
see the enclosed Guidelines and complete as
instructed therein.

Certification--Under penalties of perjury, I certify that:

- (1) The number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me), and
- (2) I am not subject to backup withholding either because I have not been notified by the Internal Revenue Service (the "IRS") that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the IRS has notified me that I am no longer subject to backup withholding.

Certificate Instructions--You must cross out item (2) above if you have been notified by the IRS that you are subject to backup withholding because of underreporting interest or dividends on your tax return. However, if after being notified by the IRS that you were subject to backup withholding you received another notification from the IRS that you are no longer subject to backup withholding, do not cross out item (2). (Also see instructions in the enclosed Guidelines.)

SIGNATURE _____ DATE _____ , 199

NOTE: FAILURE TO COMPLETE AND RETURN THIS FORM MAY RESULT IN BACKUP WITHHOLDING OF 31% OF ANY PAYMENTS MADE TO YOU PURSUANT TO THE OFFER. PLEASE REVIEW THE ENCLOSED GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9 FOR ADDITIONAL DETAILS.

INSTRUCTIONS WITH RESPECT TO THE
OFFER TO PURCHASE FOR CASH
61,657,432 SHARES OF COMMON STOCK
OF
PARAMOUNT COMMUNICATIONS INC.

The undersigned acknowledge(s) receipt of your letter enclosing the Fourth Supplement dated February 1, 1994 to the Offer to Purchase dated October 25, 1993 as supplemented by the Supplement thereto dated November 8, 1993, the Second Supplement thereto dated January 7, 1994, the Third Supplement thereto dated January 18, 1994 and the revised (Orange) Letter of Transmittal (which together constitute the "Offer") in connection with the offer by Viacom Inc., a Delaware corporation, to purchase 61,657,432 shares of Common Stock, par value \$1.00 per share (the "Shares"), of Paramount Communications Inc., a Delaware corporation, or such greater number of Shares as equals 50.1% of the Shares outstanding plus the Shares issuable upon the exercise of the then exercisable stock options as of the expiration of the Offer.

This will instruct you to tender the number of Shares indicated below (or, if no number is indicated below, all Shares) that are held by you for the account of the undersigned, upon the terms and subject to the conditions set forth in the Offer.

NUMBER OF SHARES TO BE TENDERED:
_____SHARES*

SIGN HERE

Dated: _____, 1994

Signature(s)

Please type or print name(s)

Please type or print address

Area Code and Telephone Number

Taxpayer Identification or
Social Security Number

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* Unless otherwise indicated, it will be assumed that all Shares held by us for your account are to be tendered.

VIACOM IMPROVES PARAMOUNT BID

New York, New York, February 1, 1994 -- Viacom Inc. (ASE: VIA and VIAB) announced today that it has increased its offer for Paramount Communications Inc. (NYSE: PCI) by improving the value of the consideration to be paid in its second-step merger. Viacom said that it had improved its proposal on a per share basis in three ways: By replacing the right to receive \$15.20 of liquidation preference of convertible exchangeable preferred stock yielding 5% with the right to receive \$17.50 face amount of 8% exchangeable subordinated debentures; by adding .30 of a five-year warrant to purchase one share of Viacom Class B Common Stock at \$70.00 per share; and by improving the terms of the proposed contingent value rights (CVRs). As amended, the Viacom offer now consists of:

- \$107 per share in cash for 50.1% of the shares of Paramount outstanding on a fully diluted basis, and
- the following securities to be issued in a second-step merger:
 - \$17.50 in principal amount of 8% subordinated debentures (exchangeable at Viacom's option into 5% exchangeable preferred stock if the Viacom-Blockbuster merger is not consummated);
 - 0.93065 of a share of Viacom Class B Common Stock;
 - 0.93065 of an improved contingent value right;
 - 0.5 of a three-year warrant to purchase Viacom Class B Common Stock at \$60.00 per share; and
 - 0.3 of a five-year warrant to purchase Viacom Class B Common Stock at \$70.00 per share.

-more-

Under bidding rules established by Paramount with Viacom and QVC Network, Inc., both Viacom and QVC have agreed that any amendment made to their proposal to acquire Paramount would be made by 5:00 p.m. today, and therefore, Viacom anticipates no further bidding by either Viacom or QVC.

The 8% exchangeable subordinated debentures will have a maturity of 12 years and will pay interest semi-annually beginning January 1, 1995. The 8% debentures will be non-callable for five years after the consummation of the Paramount-Viacom merger, after which they may be redeemed at declining redemption premiums. Viacom will have the option to exchange at par the 8% debentures for the equivalent liquidation preference of 5% (non-convertible) preferred stock in the event that its previously announced merger with Blockbuster Entertainment Corporation is not consummated by January 1, 1995 or earlier if beneficial ownership of a majority of the outstanding shares of Blockbuster has been acquired by a third party prior to that date. The preferred stock would be non-callable until the fifth anniversary of the merger with Paramount after which it could be called at declining redemption premiums. The preferred stock could be

exchanged, at the option of Viacom, into 5% subordinated debentures of Viacom after the third anniversary of the merger. The dividend rate on the preferred stock (and the interest rate on the 5% debentures into which it could be exchanged) will increase to 10% on the tenth anniversary of the merger if not previously redeemed.

The new warrant represents the right to acquire, at any time prior to the fifth anniversary of the merger, one share of Viacom Class B Common Stock at an

-more-

exercise price of \$70.00 per share, payable in cash or in liquidation value of shares of preferred stock, if any, into which the 8% debentures have been exchanged (or in face value of the 5% debentures into which such preferred stock may be exchanged).

The CVR has been improved by increasing to \$12.00 (from \$10.00) its maximum value on the first anniversary of the proposed merger, and increasing such value to \$14.00 (from \$13.00) on the second such anniversary. The modification was made by changing the floor price of the CVR to \$36.00 in the first year and to \$37.00 in the second year; both prices were reduced from the previous floor price of \$38.00.

As announced earlier today, Viacom's tender offer expires at 12:00 midnight, New York City time, on February 14, 1994.

Smith Barney Shearson Inc. is acting as financial advisor to Viacom and is also dealer manager in connection with the Offer, and Georgeson & Co. is acting as information agent.

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Contact:	Viacom Inc. Raymond A. Boyce 212/258-6530	Edelman Elliot Sloane 212/704-8126
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VIACOM

February 1, 1994

The Board of Directors
Paramount Communications Inc.
15 Columbus Circle
New York, New York 10023

Ladies and Gentlemen:

I am pleased to inform you that Viacom has today increased the value of its offer for Paramount Communications Inc. by increasing the value of the consideration to be paid in the second-step merger. The revised terms of our offer are described in our press release, a copy of which is attached.

We are prepared to negotiate a revised merger agreement incorporating the terms of our revised offer and to discuss the terms of the revised offer with you at your earliest convenience.

Very truly yours,

VIACOM INC.

By /s/ Sumner M. Redstone

Sumner M. Redstone

cc: Peter Ezersky,
Lazard Freres & Co.

Joel S. Hoffman, Esq.,
Simpson Thacher & Bartlett

Martin Lipton, Esq.,
Wachtell, Lipton, Rosen & Katz