

Viacom Inc.
Form 11-K
June 25, 2009
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549-1004

FORM 11-K

x **ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2008

OR

.. **TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from

to
Commission File Number 001-32686

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VIACOM 401(k) PLAN

(Full title of the Plan)

VIACOM INC.

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

1515 Broadway

New York, NY 10036

(Address of principal executive offices)

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VIACOM 401(k) PLAN

FINANCIAL STATEMENTS, SUPPLEMENTAL SCHEDULE AND EXHIBIT

DECEMBER 31, 2008

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Report of Independent Registered Public Accounting Firm

To the Participants and Administrator of

Viacom 401(k) Plan:

In our opinion, the accompanying statements of net assets available for benefits and the related statement of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the Viacom 401(k) Plan (the Plan) at December 31, 2008 and 2007, and the changes in net assets available for benefits for the year ended December 31, 2008 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

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

/s/ PRICEWATERHOUSECOOPERS LLP

New York, New York

June 25, 2009

Table of Contents**VIACOM 401(k) PLAN****STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS****(In thousands)**

| | December 31, | |
|--|---------------------|-------------------|
| | 2008 | 2007 |
| ASSETS | | |
| Cash and cash equivalents | \$ 938 | \$ |
| Investments: | | |
| Investments, at fair value | 304,929 | 481,007 |
| Fully benefit-responsive investment contracts, at fair value | 76,868 | 65,543 |
| Total investments | 381,797 | 546,550 |
| Receivables: | | |
| Employee contributions | 245 | 817 |
| Employer contributions | 96 | 292 |
| Due from broker for securities sold | 158 | 448 |
| Investment income | 141 | 148 |
| Total receivables | 640 | 1,705 |
| Total assets | 383,375 | 548,255 |
| LIABILITIES | | |
| Accrued expenses and other liabilities | 249 | 270 |
| Due to broker for securities purchased | 545 | 614 |
| Total liabilities | 794 | 884 |
| Net assets reflecting all investments at fair value | 382,581 | 547,371 |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts | 1,909 | (831) |
| Net assets available for benefits | \$ 384,490 | \$ 546,540 |

See accompanying notes to financial statements.

Table of Contents**VIACOM 401(k) PLAN****STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS****(In thousands)**

| | Year Ended December 31, 2008 |
|--|---|
| Additions (deductions) to net assets attributed to: | |
| Investment income: | |
| Dividends | \$ 3,645 |
| Interest | 4,119 |
| Net depreciation in fair value of investments | (191,786) |
| Total investment loss | (184,022) |
| Contributions: | |
| Employee | 48,174 |
| Employer | 17,490 |
| Rollover | 2,831 |
| Total contributions | 68,495 |
| Total net deductions attributed to investments and contributions | (115,527) |
| Deductions from net assets attributed to: | |
| Benefits paid to participants | 44,820 |
| Plan expenses | 1,703 |
| Total deductions | 46,523 |
| Net decrease in net assets available for benefits | (162,050) |
| Net assets available for benefits, beginning of year | 546,540 |
| Net assets available for benefits, end of year | \$ 384,490 |

See accompanying notes to financial statements.

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VIACOM 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS

(Tabular dollars in thousands)

NOTE 1 PLAN DESCRIPTION

Viacom Inc. (*Viacom* or the *Company*) established the Viacom 401(k) Plan (the *Plan*), effective on January 1, 2006.

The following is a brief description of the Plan and is provided for general information only. Participants should refer to the Plan document and the Summary Plan Description made available to them for more complete information regarding the Plan.

The Plan, sponsored by the Company, is a defined contribution plan offered on a voluntary basis to substantially all of the Company's employees. The Plan is subject to the provisions of the Internal Revenue Code of 1986, as amended (the *Code*), and the Employee Retirement Income Security Act of 1974, as amended (*ERISA*), and is administered by the Viacom Retirement Committee, the members of which were appointed by the Company's Board of Directors (the *Board*) or its designee.

Mellon Bank, N.A. (*Mellon*) was the trustee and custodian of the Plan until June 30, 2008. JPMorgan Chase Bank, N.A. (the *Trustee*) became the trustee and custodian of the Plan on July 1, 2008. ACS HR Solutions, LLC (*ACS*) was the recordkeeper of the Plan until June 30, 2008. JPMorgan Retirement Plan Services LLC (*JPM RPS*) became the recordkeeper for the Plan on July 1, 2008.

Related Party Transactions

Certain Plan investment options include funds managed by Mellon or companies affiliated with Mellon and therefore, while Mellon was trustee, those investments were considered a *party-in-interest* as such term is defined in ERISA. Certain short term investments for the Plan are invested in a fund managed by JPMorgan Asset Management and are considered a *party-in-interest*.

In addition, certain Plan investments are in shares of the Company and qualify as a *party-in-interest*. During the years ended December 31, 2008 and 2007, the Plan sold shares of Viacom Class A and Class B common stock for total proceeds of \$10.8 million and \$13.9 million, respectively. Viacom Class B shares were purchased during 2008 and 2007 at a cost of \$21.8 million and \$20.4 million, respectively.

Eligibility

Eligible full-time employees may become participants in the Plan following the attainment of age 21. Certain part-time, freelance or project-based employees are eligible to participate in the Plan on the first of the month after attainment of age 21 and completion of one thousand hours of service within a consecutive twelve-month period.

Participant Accounts

Each participant's account is credited with the participant's contributions, the employer matching contributions and the participant's share of the Plan's income or losses in the investment options, net of certain plan expenses.

Plan participants have the option of investing their contributions and existing account balances among fifteen investment options. These investment options include separately managed investment portfolios,

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VIACOM 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

(Tabular dollars in thousands)

common/collective trust funds, registered investment companies (mutual funds) and Viacom Class B common stock. Some plan participants are invested in Viacom Class A common stock, but that fund is closed to new investment. The securities held by these investment options are described in greater detail in Note 2.

Prior to June 17, 2008, participants could also elect to open a self-directed brokerage account (SDA) and could transfer up to 25% of their account balance (net of any loans) to the SDA, subject to certain restrictions. On June 17, 2008, the SDA was eliminated and all assets in that fund were transferred to the INVESCO Stable Value Fund (INVESCO Fund).

Contributions

The Plan permits participants to contribute up to 15% of annual compensation on a before-tax, after-tax or combination basis, subject to the Code limitations set forth below. Any eligible employee is deemed to have authorized the Company to make before-tax contributions in the Plan in an amount equal to 5% of the employee's eligible compensation upon his or her date of hire. Deemed authorization takes effect following the 45th day the employee becomes eligible to participate in the Plan unless the employee elects not to participate in the Plan or to participate at a different contribution rate. Effective April 1, 2009, participants are permitted to contribute up to 50% of annual compensation on a before-tax, after-tax or combination basis. After-tax contributions are limited to 15% of annual compensation.

The Code limited the amount of annual participant contributions that can be made on a before-tax basis to \$15,500 for 2008. Total compensation considered under the Plan based on Code limits could not exceed \$230,000 for 2008. The Code also limited annual aggregate participant and employer contributions to the lesser of \$46,000 or 100% of compensation in 2008. All contributions made to the Plan on an annual basis may be further limited due to certain non-discrimination tests prescribed by the Code.

All participants who have attained age 50 before the close of the calendar year are eligible to make catch-up contributions if the participants made the maximum contribution permitted under the Plan for a plan year. The limit for catch-up contributions was \$5,000 in 2008. These contributions are not treated as matchable contributions.

The employer matching contribution is equal to 60% of the first 5% of eligible compensation contributed on a before tax-basis. Employer matching contributions are initially invested entirely in Viacom Class B common stock. All participants may transfer the employer matching contributions out of Viacom Class B common stock to any other investment fund offered under the Plan at any time.

Effective April 1, 2009, the employer matching contribution is equal to 100% of the first 1% and 50% of the next 5% of eligible compensation contributed on a before-tax basis and employer matching contributions are invested according to the participant's investment elections.

Vesting

Participants in the Plan are immediately vested in their own contributions and earnings thereon. Employer matching contributions vest at 20% per year of service, becoming fully vested after five years of service. Transition rules apply to participants of plans that were merged into the Plan. If participants terminate

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VIACOM 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

(Tabular dollars in thousands)

employment prior to being vested in their employer matching contributions, upon distribution of the vested portion of their account, the non-vested portion of their account is forfeited and may be used to reduce future employer matching contributions and to pay administrative expenses. Effective April 1, 2009, employer matching contributions vest at 100% after two years of service.

As of December 31, 2008, the Company had forfeitures of approximately \$2.1 million available to be used as noted above, which includes interest earned on forfeitures of approximately \$0.1 million. Employer matching contributions of approximately \$1.0 million were forfeited in 2008 and the Company utilized forfeitures of approximately \$0.5 million in 2008 to pay administrative expenses. As of December 31, 2007, the Company had forfeitures of approximately \$1.5 million available to be used, which included interest earned on forfeitures of \$0.1 million. In 2007, employer matching contributions of approximately \$1.1 million were forfeited and the Company utilized forfeitures of approximately \$0.4 million to pay administrative expenses.

Loans to Participants

Participants may request a loan of up to the lesser of 50% of the participant's vested account balance or \$50,000, reduced by the highest outstanding balance of any Plan loan made to the participant during the twelve-month period ending on the day before the loan is made. The minimum loan available to a participant is \$500. The interest rate on participant loans is one percentage point above the annual prime commercial rate (as published in the Wall Street Journal) on the first day of the calendar month in which the loan is approved, with principal and interest payable not less than quarterly through payroll deductions. Only one loan may be outstanding at any time. Participants may elect repayment periods from 12 to 60 months commencing as soon as administratively possible following the distribution of the loan. The Plan allows participants to elect a repayment term of up to 300 months for loans used for the acquisition of a principal residence. Repayments of loan principal and interest are allocated in accordance with the participant's then current investment elections.

Included in *Investments, at fair value* on the Statement of Net Assets Available for Benefits are loans outstanding of \$7.4 million which carried interest rates ranging from 4% to 12% as of December 31, 2008.

Distributions and Withdrawals

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

Participants in the Plan, or their beneficiaries, may receive their vested account balances in a lump sum or in installments over a period of up to 20 years in the event of retirement, termination of employment, disability or death. Participants must receive a required minimum distribution upon attainment of age 70^{1/2} unless they are still employed.

Participants in the Plan may withdraw all of their after-tax and rollover contributions at any time. Upon attainment of age 59^{1/2}, participants may withdraw all or part of their before-tax contributions and earnings thereon. The Plan limits participants to a maximum of two withdrawals in each calendar year.

A participant may obtain a financial hardship withdrawal of the vested portion of employer matching contributions and before-tax contributions provided that the requirements for hardship are met and only to the extent required to relieve such financial hardship. There is no restriction on the number of hardship withdrawals permitted.

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VIACOM 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

(Tabular dollars in thousands)

When a participant terminates employment with the Company, the full value of the employee contributions and earnings thereon plus the value of all vested employer matching contributions and earnings thereon can be rolled over to a tax qualified retirement plan or an Individual Retirement Account or remain in the Plan rather than being distributed. If the vested account balance is \$1,000 or less and the participant does not make an election to roll over the vested balance, it will be automatically paid in a single lump sum cash payment and taxes will be withheld from the distribution.

Plan Expenses

The fees for investment of Plan assets are charged to the Plan's investment funds. Certain administrative expenses, such as legal and accounting fees, may be paid by the Plan using forfeitures as described above or may be paid by the Company. Recordkeeping and Trustee fees are paid from participant accounts. For 2008, \$0.1 million was paid to Mellon for services while it was trustee, and \$0.4 million was paid to ACS and \$0.2 million was paid to JPM RPS for their respective recordkeeping services.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements are prepared on the accrual basis of accounting.

Fair Value Measurements and Income Recognition

In September 2006, the FASB issued Statement No. 157, *Fair Value Measurements* (FAS 157). FAS 157 establishes a framework for measuring fair value, clarifies the definition of fair value, and expands disclosures about assets and liabilities measured at fair value. The provisions of FAS 157 have been applied prospectively beginning January 1, 2008. There was no measurement impact as a result of the adoption of FAS 157.

The framework for measuring fair value provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement). The three levels of the fair value hierarchy under FAS 157 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the assets or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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VIACOM 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

(Tabular dollars in thousands)

The following is a description of the valuation methodology used for assets measured at fair value including the general classification of such instruments pursuant to the valuation hierarchy. There have been no changes in the methodologies used at December 31, 2008 and 2007.

Common Stocks: Corporate common stocks are reported at fair value based on quoted market prices on national securities exchanges. Substantially all common stocks are classified within level 1 of the valuation hierarchy.

Common/Collective Trust Funds: The fair values of investments in common/collective trust funds are based on their net asset values (NAV) reported by the investment advisor in the audited financial statements of the common/collective trusts at year-end. The NAV is a quoted price in a market that is not active and classified within level 2 of the valuation hierarchy.

Registered Investment Companies (Mutual Funds): Investments in registered investment companies are stated at the respective funds' NAV, which is determined based on market values at the closing price on the last business day of the year. The NAV is a quoted price in an active market and classified within level 1 of the valuation hierarchy.

Guaranteed Investment Contracts: The fair value of the synthetic guaranteed investment contracts (GICs) is based on the underlying investments. The underlying investments are common/collective trust funds, which are public investment vehicles, valued at the NAV as described above. Because the NAV is a quoted price in a market that is not active, they are classified within level 2 of the valuation hierarchy. The related wrapper contracts have a fair value of \$109,136 and \$0 at December 31, 2008 and December 31, 2007, respectively. The wrapper contracts are valued by INVESCO, the administrator of the fund using other significant observable inputs in a valuation model and are classified within level 2 of the valuation hierarchy. See Note 7 for further information on INVESCO and these contracts.

U.S. Government Securities: Short-term money market obligations are carried at amortized cost, which approximates fair value and are classified within level 2 of the valuation hierarchy.

Participant Loans: Participant loans are valued at amortized cost, which approximates fair value and are classified within level 2 of the valuation hierarchy.

Interest income is accrued as earned and dividend income is recorded on the ex-dividend date.

Table of Contents**VIACOM 401(k) PLAN****NOTES TO FINANCIAL STATEMENTS (Continued)****(Tabular dollars in thousands)**

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2008. The Plan has no assets classified within level 3 of the valuation hierarchy.

| | Assets at Fair Value as of December 31, 2008 | | | Totals |
|---|---|--|--|-------------------|
| | Quoted Prices In Active Markets for Identical Assets Level 1 | Significant Other Observable Inputs Level 2 | Significant Unobservable Inputs Level 3 | |
| | | | | |
| | | (in thousands) | | |
| Common Stocks | \$ 103,922 | \$ 864 | \$ | \$ 104,786 |
| Common / Collective Trust Funds | | 126,949 | | 126,949 |
| Mutual Funds | 60,806 | | | 60,806 |
| Synthetic Guaranteed Investment Contracts | | 76,868 | | 76,868 |
| U.S. Government Securities | | 4,950 | | 4,950 |
| Participant Loans | | 7,438 | | 7,438 |
| Total Assets At Fair Value | \$ 164,728 | \$ 217,069 | \$ | \$ 381,797 |

Security Transactions

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

Included in the Statement of Changes in Net Assets Available for Benefits is the net depreciation in the fair value of the Plan's investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

Payment of Benefits

Benefits are recorded when paid.

Use of Estimates

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

NOTE 3 RISKS AND UNCERTAINTIES

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

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(Tabular dollars in thousands)

NOTE 4 INVESTMENTS

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

| | At December 31, | |
|---|-------------------|-------------------|
| | 2008 | 2007 |
| Barclays Global Investors S&P 500 Index Fund | \$ 48,683 | \$ 80,554 |
| Viacom Class B Common Stock | \$ 40,120 | \$ 75,794 |
| Mellon Bond Index Fund | \$ 26,844 | \$ ⁽¹⁾ |
| Capital Guardian International Equity Fund | \$ 23,527 | \$ 42,487 |
| Capital Guardian Emerging Markets Equity Fund | \$ ⁽¹⁾ | \$ 31,817 |

⁽¹⁾ Represents less than 5% during the respective year

During the year ended December 31, 2008 the Plan's investments (including gains and losses on investments bought, sold and held during the year) depreciated as follows:

| | |
|--|-------------------|
| Registered investment companies (mutual funds) | \$ 27,226 |
| Corporate common stocks | 103,194 |
| Common/collective trust funds | 61,323 |
| Other assets | 43 |
| Net depreciation in fair value of investments | \$ 191,786 |

NOTE 5 INCOME TAX STATUS

On October 9, 2008, the Plan received a determination from the Internal Revenue Service (IRS) that the Plan satisfies the requirements of Section 401(a) of the Code and that the trust thereunder is exempt from federal income taxes under the provisions of Section 501(a) of the Code. The Plan has been amended since receiving the determination letter. However, the Plan Administrator and the Plan's counsel believe that the Plan is designed and is currently being operated in compliance with the applicable provisions of the Code.

NOTE 6 TERMINATION PRIORITIES

Although the Company anticipates that the Plan will continue indefinitely, it reserves the right by action of the Board to amend or terminate the Plan provided that such action does not retroactively reduce earned participant benefits. In the event of Plan termination, participants become fully vested. Upon termination, the Plan provides that the net assets of the Plan would be distributed to participants based on their respective account balances.

NOTE 7 INVESTMENT IN FULLY BENEFIT-RESPONSIVE INVESTMENT CONTRACTS

The Plan accounts for guaranteed investment contracts in accordance with FASB Staff Position (FSP) AAG INV-1 and Statement of Position 94-4-1, *Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment*

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Company Guide and Defined-Contribution Health and Welfare and Pension Plans. Contract value is the relevant measurement attribute for that portion of the net assets available for plan benefits of a defined-contribution plan attributable to fully benefit-responsive

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VIACOM 401(k) PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

(Tabular dollars in thousands)

contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan invests in investment contracts through the INVESCO Fund. As required by the FSP, the Statements of Net Assets Available for Benefits presents the fair value of the investment in the INVESCO Fund from fair value to contract value for fully benefit-responsive investment contracts. The Statements of Net Assets Available for Benefits is prepared on a contract value basis.

The INVESCO Fund (the Fund) invests primarily in fully benefit-responsive investment contracts such as traditional GICs and wrapper contracts (also known as synthetic GICs). In a traditional GIC, the issuer takes a deposit from the Fund and purchases investments that are held in the issuer's general account. The issuer is contractually obligated to repay the principal and a specified rate of interest guaranteed to the Fund. The fair value of the investment contracts use a formula that is based on the characteristics of the underlying fixed income portfolio under each contract, as further described below.

In a wrapper contract structure, the underlying investments are owned by the Fund and held in trust for plan participants and are of high quality fixed income securities or investment funds. The Fund purchases a wrapper contract from an insurance company or bank. The wrapper contract amortizes the realized and unrealized gains and losses on the underlying fixed income investments, typically over the expected duration of the investment through adjustments to the future interest crediting rate (which is the rate earned by participants in the fund for the underlying investments which resets on a monthly basis). The issuer of the wrapper contract provides assurance that the adjustments to the interest crediting rate do not result in a future interest crediting rate that is less than zero. An interest crediting rate less than zero would result in a loss of principal or accrued interest.

The key factors that influence future interest crediting rates for a wrapper contract include: the level of market interest rates, the amount and timing of participant activity into/out of the wrapper contract, the investment returns generated by the fixed income investments that back the wrapper contract, and the duration of the underlying investments backing the wrapper contract.

Changes in market interest rates affect the yield to maturity and the market value of the underlying investments; therefore, they can have a material impact on the wrapper contract's interest crediting rate. In addition, participant withdrawals and transfers from the Fund are paid at contract value but funded through the market value liquidation of the underlying investments, which also impacts the interest credit rating. The resulting gains and losses in the market value of the underlying investments relative to the wrapper contract value are represented on the Statements of Net Assets Available for Benefits as the *Adjustment from fair value to contract value for fully benefit-responsive investment contracts*. If the adjustment from fair value to contract value is positive for a given contract, this indicates that the wrapper contract value is greater than the market value of the underlying investments. The embedded market value losses will be amortized in the future through a lower interest crediting rate than would otherwise be the case. If the adjustment from fair value to contract value is negative, this indicates that the wrapper contract value is less than the market value of the underlying investments. The amortization of the embedded market value gains will cause the future interest crediting rate to be higher than it otherwise would have been.

All wrapper contracts provide for a minimum interest crediting rate of zero percent. In the event that the interest crediting rate should fall to zero and the requirements of the wrapper contract are satisfied, the wrapper issuers will pay to the Plan the shortfall needed to maintain the interest crediting rate at zero. This ensures that participants' principal and accrued interest is protected.

Table of Contents**VIACOM 401(k) PLAN****NOTES TO FINANCIAL STATEMENTS (Continued)**

(Tabular dollars in thousands)

The following table details the individual synthetic guaranteed investment contracts at fair value and their adjustment to contract value of \$78.8 million held by the INVESCO Fund at December 31, 2008:

| Contract Issuer | Security Name | Issuer Ratings | Investments at Fair Value | Wrap Contracts at Fair Value | Adjustment to Contract Value |
|------------------------------|--|-----------------------|----------------------------------|-------------------------------------|-------------------------------------|
| Bank of America NA | Wrapper IGT INVESCO Short-term Bond Fund | AA /Aaa | \$ 18,440 | \$ 45 | |
| | | | 18,440 | 45 | \$ 575 |
| ING Life & Annuity | Wrapper IGT INVESCO Multi-Mgr A or Better Intermediate G/C Fund | AA/Aa3 | 14,042 | 15 | |
| | | | 14,042 | 15 | 258 |
| Monumental Life Insurance Co | Wrapper IGT INVESCO Multi-Mgr A or Better Intermediate G/C Fund | AA/Aa3 | 14,018 | 34 | |
| | | | 14,018 | 34 | 224 |
| Pacific Life Insurance Co | Wrapper IGT INVESCO Multi-Mgr A or Better Core Fund | AA/Aa3 | 11,912 | 0 | |
| | | | 11,912 | 0 | 251 |
| State Street Bank | Wrapper IGT INVESCO Short-term Bond Fund | AA/Aa1 | 18,347 | 15 | |
| | | | 18,347 | 15 | 601 |
| Total | | | \$ 76,759 | \$ 109 | \$ 1,909 |

Table of Contents**VIACOM 401(k) PLAN****NOTES TO FINANCIAL STATEMENTS (Continued)**

(Tabular dollars in thousands)

The following table details the individual synthetic guaranteed investment contracts at fair value and their adjustment to contract value of \$64.7 million held by the INVESCO Fund at December 31, 2007:

| Contract Issuer | Security Name | Issuer Ratings | Investments at Fair Value | Wrap Contracts at Fair Value | Adjustment to Contract Value |
|------------------------------|--|----------------|---------------------------|------------------------------|------------------------------|
| Bank of America NA | Wrapper IGT INVESCO Short-term Bond Fund | AA+/Aaa | \$ 16,070 | \$ 0 | |
| | | | 16,070 | 0 | \$ (245) |
| ING Life & Annuity | Wrapper IGT INVESCO Multi-Mgr A or Better Intermediate G/C Fund | AA/Aa3 | 11,792 | 0 | |
| | | | 11,792 | 0 | (206) |
| Monumental Life Insurance Co | Wrapper IGT INVESCO Multi-Mgr A or Better Intermediate G/C Fund | AA/Aa3 | 11,795 | 0 | |
| | | | 11,795 | 0 | (206) |
| State Street Bank | Wrapper IGT INVESCO Short-term Bond Fund | AA/Aa1 | 15,977 | 0 | |
| | | | 15,977 | 0 | (177) |
| UBS AG | Wrapper IGT INVESCO Multi-Mgr A or Better Core Fund | AA+/Aaa | 9,909 | 0 | |
| | | | 9,909 | 0 | 3 |
| Total | | | \$ 65,543 | \$ 0 | \$ (831) |

The Company does not expect any employer initiated events that may cause premature liquidation of a contract at market value. The average yield to investments at fair value was approximately 7.10% and 5.31% for 2008 and 2007, respectively, and crediting interest rates to investments at fair value were approximately 4.25% and 4.93% at December 31, 2008 and 2007, respectively.

Table of Contents**VIACOM 401(k) PLAN****NOTES TO FINANCIAL STATEMENTS (Continued)****(Tabular dollars in thousands)****NOTE 8 RECONCILIATION OF FINANCIAL STATEMENTS TO IRS FORM 5500**

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

| | At December 31, | |
|--|------------------------|-------------------|
| | 2008 | 2007 |
| Net assets available for benefits per the financial statements | \$ 384,490 | \$ 546,540 |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts | (1,909) | 831 |
| Amounts allocated to withdrawing participants | (175) | |
| Deemed distribution of participant loans | (204) | (220) |
| Net assets available for benefits per the Form 5500 | \$ 382,202 | \$ 547,151 |

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

| | Year Ended |
|--|--------------------------|
| | December 31, 2008 |
| Benefits paid to participants per the financial statements | \$ 44,820 |
| Add: Amounts allocated to withdrawing participants at December 31, 2008 | 175 |
| Less: Amounts allocated to withdrawing participants at December 31, 2007 | (66) ⁽¹⁾ |
| Deemed loan offsets | (66) ⁽¹⁾ |
| Benefits paid to participants per the Form 5500 | \$ 44,929 |

Amounts allocated to withdrawing participants are recorded on the Form 5500 for benefit claims that were processed and approved for payment prior to December 31, 2008 but were not paid as of that date.

The following is a reconciliation of net deductions attributed to investments and contributions per the financial statements to the Form 5500:

| | Year Ended |
|--|--------------------------|
| | December 31, 2008 |
| Total net deductions attributed to investments and contributions per the financial statements | \$ (115,527) |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts | (2,740) |
| Total income per the Form 5500 (including Plan transfers) | \$ (118,267) |

Table of Contents**VIACOM 401(k) PLAN****NOTES TO FINANCIAL STATEMENTS (Continued)****(Tabular dollars in thousands)**

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

| | Year Ended December 31, 2008 |
|--|---|
| Net decrease in net assets available for benefits per the financial statements | \$ (162,050) |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts | (2,740) |
| Amounts allocated to withdrawing participants at December 31, 2008 | (175) |
| Amounts allocated to withdrawing participants at December 31, 2007 | |
| Deemed loan offsets | 66 ⁽¹⁾ |
| Deemed distribution of participant loans | (50) |
| Net income per the Form 5500 (including Plan transfers) | \$ (164,949) |

⁽¹⁾ Previously reported as a deemed loan distribution on 2007 Form 5500.

NOTE 9 SUBSEQUENT EVENTS

On January 12, 2009, the assets in the Plan attributable to freelance and project-based employees of MTV Networks, in the amount of approximately \$9.3 million, were transferred to the Viacom 401(k) Plan for Project Based Employees, which is a new plan effective as of January 1, 2009.

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VIACOM 401(k) PLAN
SCHEDULE OF ASSETS HELD AT END OF YEAR
DECEMBER 31, 2008

(In thousands)

| Identity of issuer, borrower, lessor or similar party | Description of investment including maturity date, rate of interest, collateral, par, or maturity value | Cost(1) | Current Value |
|---|---|---------|---------------|
| <u>Corporate Common Stocks</u> | | | |
| ABB LTD ADR | | | 440 |
| ABBOTT LABORATORIES COM STK NPV | | | 1,065 |
| ACCENTURE COM STK CLS A | | | 824 |
| AEGON NV AMER REGD CERT | | | 121 |
| ALTERA CORP COM STK | | | 541 |
| AMERICAN INTERNATIONAL GROUP INC COM STK. | | | 96 |
| AMGEN INC COM STK | | | 959 |
| AON CORP COM STK | | | 501 |
| APOLLO GROUP INC CLASS A COM STK NPV | | | 793 |
| APPLE INC COM STK NPV | | | 348 |
| AUTODESK INC COM STK NPV | | | 31 |
| AUTOMATIC DATA PROCESSING INC COM STK | | | 511 |
| BAKER HUGHES INC COM STK | | | 641 |
| BMC SOFTWARE INC COM STK | | | 210 |
| BOSTON SCIENTIFIC CORP COM STK | | | 348 |
| CADENCE DESIGN SYSTEMS INC COM STK | | | 55 |
| CAMECO CORP COM NPV | | | 142 |
| CAPITAL ONE FINANCIAL CORP COM STK | | | 638 |
| CARDINAL HEALTH INC COM STK NPV | | | 689 |
| CARMAX INC COM STK | | | 39 |
| CATERPILLAR INC COM STK | | | 388 |
| CEMEX S.A.B. DE C.V. ADR. | | | 92 |
| CHEVRON CORP COM STK | | | 577 |
| CISCO SYSTEMS INC COM STK | | | 851 |
| CITIGROUP INC COM STK | | | 252 |
| CITRIX SYSTEMS INC COM STK | | | 212 |
| COMCAST CORP COM CLS A | | | 1,350 |
| COMPUTER SCIENCES CORP COM STK | | | 439 |
| COMPUWARE CORP COM STK | | | 169 |
| COVIDIEN LTD COM STK | | | 961 |
| CREDIT SUISSE GROUP ADR | | | 113 |
| CUMMINS INC COM STK | | | 218 |
| DEERE & CO COM STK | | | 643 |
| DISH NETWORK CORP CLASS A COM STK | | | 83 |
| DOMTAR CORPORATION COM STK | | | 21 |

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VIACOM 401(k) PLAN
SCHEDULE OF ASSETS HELD AT END OF YEAR
DECEMBER 31, 2008

(Continued)

| Identity of issuer, borrower, lessor or similar party | Description of investment including maturity date, rate of interest, collateral, par, or maturity value | Cost(1) | Current Value |
|---|---|---------|---------------|
| DOW CHEMICAL CO COM STK | | | 423 |
| EATON CORP COM | | | 328 |
| EBAY INC COM STK | | | 279 |
| ELECTRONIC ARTS COM STK | | | 379 |
| EOG RESOURCES INC COM STK | | | 351 |
| ERICSSON(LM) TEL ADR | | | 156 |
| FEDEX CORP COM STK | | | 642 |
| FLUOR CORP(NEW) COM STK | | | 37 |
| FOCUS MEDIA HLDG ADR | | | 58 |
| FOSTER WHEELER LTD ORD | | | 68 |
| GENENTECH INC COM STK | | | 570 |
| GENERAL DYNAMICS CORP COM STK | | | 676 |
| GENERAL ELECTRIC CO COM STK | | | 729 |
| GENERAL PARTS CO COM STK | | | 68 |
| GENWORTH FINANCIAL INC COM STK | | | 18 |
| GENZYME CORP COM STK | | | 446 |
| GLAXOSMITHKLINE ADR | | | 745 |
| GOLDMAN SACHS GROUP INC COM STK | | | 744 |
| GOOGLE INC COM STK | | | 781 |
| HALLIBURTON CO COM STK | | | 502 |
| HEALTH MANAGEMENT ASSOCIATES INC CL A COM STK | | | 20 |
| HESS CORP COM STK | | | 343 |
| HEWLETT-PACKARD CO COM STK | | | 2,177 |
| HITACHI ADR | | | 168 |
| HOME DEPOT INC COM STK | | | 518 |
| HONEYWELL INTERNATIONAL INC COM STK | | | 510 |
| HSBC HLDGS ADR | | | 170 |
| ILLINOIS TOOL WORKS INC COM STK NPV | | | 249 |
| INTERNATIONAL BUS MACH CORP STK | | | 535 |
| INTERPUBLIC GROUP COMPANIES INC COM STK | | | 79 |
| KOHL'S CORP COM STK | | | 253 |
| KONINKLIJKE PHILIPS ELECTRONICS NV ADR | | | 79 |
| KYOCERA CORP ADR | | | 145 |
| LEGG MASON INC COM STK | | | 110 |
| LIBERTY GLOBAL INC COM STK SERIES C | | | 46 |
| LIBERTY GLOBAL INC COM STK | | | 45 |

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VIACOM 401(k) PLAN**SCHEDULE OF ASSETS HELD AT END OF YEAR****DECEMBER 31, 2008****(Continued)**

| Identity of issuer, borrower, lessor or similar party | Description of investment including maturity date, rate of interest, collateral, par, or maturity value | Cost(1) | Current Value |
|--|--|----------------|----------------------|
| LIBERTY MEDIA CORP (NEW) SER A ENTERTAINMENT SHS | | | 141 |
| LIBERTY MEDIA HOLDING COM STK | | | 97 |
| LOCKHEED MARTIN CORP COM STK | | | 1,020 |
| LOEWS CORP COM STK | | | 160 |
| MACY S INC COM STK | | | 145 |
| MANPOWER INC COM STK | | | 334 |
| MARSH & MCLEANNAN COS INC COM | | | 563 |
| MAXIM INTEGRATED PRODUCTS COM STK | | | 228 |
| MCAFFEE INC COM STK | | | 552 |
| MCKESSON CORP COM STK | | | 543 |
| MEDTRONIC INC COM STK | | | 448 |
| MERCK & CO INC COM STK | | | 380 |
| METLIFE INC COM STK | | | 472 |
| METROPCS COMMUNICATIONS INC COM STK | | | 431 |
| MICROSOFT CORP COM STK | | | 1,429 |
| MOLEX INC CLASS A N.VTG COM STK | | | 142 |
| MONSANTO CO COM STK | | | 460 |
| MOODYS CORP COM STK | | | 299 |
| MOTOROLA INC COM STK | | | 532 |
| NESTLE SA ADR | | | 864 |
| NETAPP INC COM STK NPV | | | 378 |
| NEW CORP CLASS A NON VTG COM STK | | | 736 |
| NIKE INC CLASS B COM STK NPV | | | 377 |
| NORFOLK SOUTHERN CORP COM STK | | | 124 |
| NOVARTIS AG ADR | | | 896 |
| OCCIDENTAL PETROLEUMCORP COM | | | 1,265 |
| ORACLE CORP COM STK | | | 1,546 |
| PANASONIC CORP ADR | | | 435 |
| PEPSICO INC CAP STK | | | 506 |
| PETROLEO BRASILEIRO SA PETROBRAS ADS | | | 197 |
| PFIZER INC COM STK | | | 707 |
| PITNEY BOWES INC COM STK | | | 255 |
| PRECISION CASTPARTS CORP COM NPV | | | 544 |
| QUALCOMM INC COM STK | | | 735 |
| RAYTHEON CO COM STK | | | 895 |
| RESEARCH IN MOTION COM NPV | | | 370 |
| ROYAL DUTCH SHELL ADR | | | 318 |

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VIACOM 401(k) PLAN**SCHEDULE OF ASSETS HELD AT END OF YEAR****DECEMBER 31, 2008****(Continued)**

| Identity of issuer, borrower, lessor or similar party | Description of investment including maturity date, rate of interest, collateral, par, or maturity value | Cost(1) | Current Value |
|--|--|----------------|----------------------|
| SANOFI-AVENTIS ADR | | | 804 |
| SCHLUMBERGER COM STK | | | 905 |
| SHERWIN-WILLIAMS CO COM STK | | | 149 |
| SIEMENS AG ADR | | | 401 |
| SLM CORP COM STK | | | 191 |
| SONY CORP ADR | | | 525 |
| SPRINT NEXTEL CORP CON COM STK NPV | | | 146 |
| ST JUDE MEDICAL INC COM STK | | | 469 |
| STAPLES INC COM STK | | | 600 |
| SUN MICROSYSTEMS INC COM STK | | | 26 |
| SYNOPSIS INC COM STK | | | 139 |
| TARGET CORP COM STK | | | 534 |
| TEVA PHARMACEUTICAL INDUSTRIES ADR | | | 689 |
| THOMSON MULTIMEDIA SPONSORED ADR | | | 7 |
| TIME WARNER INC COM STK | | | 855 |
| TJX COS INC COM STK | | | 595 |
| TRANSOCEAN LTD | | | 234 |
| TRAVELERS COS INC | | | 362 |
| TYCO ELECTRONICS LTD COM STK | | | 162 |
| TYCO INTERNATIONAL LTD | | | 151 |
| ULTRA PETROLEUM CORP COM NPV | | | 226 |
| UNITEDHEALTH GROUP INC COM STK | | | 1,243 |
| VERISIGN COM STK | | | 263 |
| * VIACOM INC NEW CL A | | | 373 |
| * VIACOM INC NEW CL B | | | 40,120 |
| VISA INC | | | 526 |
| VULCAN MATERIALS CO COM STK | | | 209 |
| WACHOVIA CORP COM STK | | | 262 |
| WALGREEN CO COM STK | | | 271 |
| WAL-MART STORES INC COM STK | | | 751 |
| WELLPOINT INC COM STK | | | 834 |
| WELLS FARGO & CO COM STK | | | 1,250 |
| WESTERN UNION COMPANY (THE) COM STK | | | 851 |
| WYETH COM | | | 917 |
| XEROX CORP COM STK | | | 414 |
| Total Corporate Common Stocks | | | 104,786 |

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VIACOM 401(k) PLAN**SCHEDULE OF ASSETS HELD AT END OF YEAR****DECEMBER 31, 2008****(Continued)**

| Identity of issuer, borrower, lessor or similar party | Description of investment including maturity date, rate of interest, collateral, par, or maturity value | Cost(1) | Current Value |
|--|--|----------------|----------------------|
| <u>Registered Investment Companies</u> | | | |
| DFA U.S. Small Cap Fund | | | 13,315 |
| Vanguard FTSE Social Index Fund | | | 1,650 |
| Vanguard Lifestrategy Conservative Growth Fund | | | 12,210 |
| Vanguard Lifestrategy Moderate Growth Fund | | | 18,073 |
| Vanguard Lifestrategy Growth Fund | | | 15,558 |
| Total Registered Investment Companies | | | 60,806 |
| <u>Common/Collective Trusts and GICs</u> | | | |
| Barclays Global Investors S&P 500 Index Fund | | | 48,683 |
| Barclays Mid Cap Equity Fund | | | 10,764 |
| Capital Guardian Emerging Markets Equity Fund | | | 14,899 |
| Capital Guardian International Equity Fund | | | 23,527 |
| * JP Morgan U.S. Government Fund | | | 4,950 |
| Mellon Capital Tactical Asset Allocation Fund | | | 2,232 |
| Mellon Bank EB SMAM Aggregate Bond Index Fund | | | 26,844 |
| Bank of America Contract #05-066 | IGT INVESCO Shrt Trm Bond; Evergreen | | 18,440 |
| Bank of America Wrapper at Fair Value, plus Adjustment to Contract Value, Synthetic GIC | | | 620 ⁽²⁾ |
| ING Life & Annuity Contract #60125 | IGT MxMgr A+ Int G/C; Evergreen | | 14,042 |
| ING Life & Annuity Wrapper at Fair Value, plus Adjustment to Contract Value, Synthetic GIC | | | 273 ⁽²⁾ |
| Monumental Contract #MDA00730TR | IGT MxMgr A+ Int G/C; Evergreen | | 14,018 |
| Monumental Wrapper at Fair Value, plus Adjustment to Contract Value, Synthetic GIC | | | 258 ⁽²⁾ |
| Pacific Life In Contract #G-27279.01.0001 | IGT MxMgr A+ Core; 3/25/2008 | | 11,912 |
| Pacific Life In Wrapper at Fair Value, plus Adjustment to Contact Value, Synthetic GIC | | | 251 ⁽²⁾ |
| State Street Bank Contract #106001 | IGT INVESCO ShrtTrm Bond; Evergreen | | 18,347 |
| State Street Bank Wrapper at Fair Value, plus Adjustment to Contract Value, Synthetic GIC | | | 616 ⁽²⁾ |
| Total Common/Collective Trusts and GICs | | | 208,767 |
| Loans to Participants | Various maturities and interest rates ranging from 4% to 12% | | 7,438 |

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Grand Total

\$ 381,797

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

(1) There are no non-participant directed investments.

(2) Amounts include wrappers at fair value of \$109,136 and adjustment to contract value of \$1,909,000. Adjustment to contract value is not included in the total common/collective trust and GICs balance of \$208,767.

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SIGNATURE

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

VIACOM 401(k) PLAN

Date: June 25, 2009

By: */s/* JOHN R. JACOBS
John R. Jacobs
Member of the Viacom Retirement Committee

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