

Committed to Creativity

An Interview with Philippe Dauman,
President and Chief Executive Officer, Viacom Inc.

EDITORS' NOTE Before joining Viacom, Philippe Dauman was Co-Chairman and Chief Executive Officer of DND Capital Partners, L.L.C. from May 2000 until September 2006. Prior to co-founding DND, Dauman served in several positions at Viacom, including as a Deputy Chairman and Executive Vice President. He is a director of National Amusements, Inc.; Lafarge S.A.; and the KIPP Foundation, as well as a member of the Academy of Motion Picture Arts and Sciences and the Business Roundtable. He serves on the Executive Committee of the NCTA, the Board of Trustees for The Paley Center for Media, the Board of Trustees of the North Shore-Long Island Jewish Health System, the Executive Committee of the Lenox Hill Hospital, and the Board of Trustees and Dean's Council of Columbia University Law School.



Philippe Dauman

COMPANY BRIEF Viacom (viacom.com) is a leading global entertainment company delivering content to its audiences via television, motion pictures, and a wide range of digital media. Viacom's media networks, including Nickelodeon, Comedy Central, MTV, VH1, Spike, BET, CMT, TV Land, Nick at Nite, Nick Jr., Channel 5 (U.K.), Logo, Nicktoons, TeenNick and Paramount Channel, are in 180 countries and reach a cumulative 3.4 billion television subscribers worldwide. Paramount Pictures, a major global producer and distributor of filmed entertainment, is also part of the Viacom family.

Viacom is consistently an industry leader known for its leading brands and content. What makes Viacom so special and what has been the key to your consistently strong performance and the company's success?

Our success is driven by a deep commitment to creativity and a passion to deliver incomparable entertainment experiences for our audiences. We are at the center of an industry that is always changing and constantly in motion. We are going through a profound period of change in our own industry, and while this sometimes creates challenges, it also creates vast opportunities. We are seizing every opportunity at

Viacom and working hard to continually improve how we produce and distribute our television shows and movies, offer better products for marketers, and help our brands directly engage with their fans. In order to remain a leader in this business, we need to be relentlessly innovating while never losing focus on the content that our audiences love. This may require short-term disruption, but it is the key to long-term success.

Would you provide an overview of your leading brands and your outlook for growth for the brands?

Viacom has a broad portfolio of well-known Media Networks, including Nickelodeon, Comedy Central, MTV, BET, and many others. In the U.S., our networks provide the largest share of ad-supported cable viewing in the most important demos, and internationally, we have one of the largest global portfolios of media brands, with more than 220 channels overseas. In addition, Paramount Pictures is one of the world's best known movie brands, and is now developing its own substantial television portfolio.

Many of our brands speak to younger audiences who are at the forefront of our industry's rapid evolution in how viewers are watching their favorite shows. This dialogue with young people has always proven to be an advantage over the years and it will again as we accelerate our investment in both new, high-quality programming and in distribution and advertising tools for the digital world. We've got a lot in the pipeline, and I'm excited about what the future holds for our brands.

Viacom has a strong global footprint. Will much of your growth come from overseas and do you still see strong opportunities for growth in the U.S. market?

Over the past several years, the priority for our international business has been transforming a collection of disparate channels into a strategically integrated portfolio, which we have done very successfully. Since 2012, Viacom has increased the number of channels per country in international markets by 22 percent and expanded our pay TV distribution by 50 percent. The addition of Paramount Television channels, most recently in Poland, Brazil, Sweden, and Latin America, has played an important role in that expansion, as has our recent acquisition of broadcast entity Channel 5 in the U.K. and the regional entertainment network Prism TV in India. While the U.S. remains our largest market, we are highly focused on international regions where there is the greatest opportunity for substantial growth.

At the heart of Viacom is its culture of innovation. How critical is innovation to Viacom's success and would you provide some examples of where the innovation is taking place in your business?

■

Our success is driven by a deep commitment to creativity and a passion to deliver incomparable entertainment experiences for our audiences.

■



Innovation, creativity, new ways of thinking – these have always been and will remain central to how Viacom succeeds in an increasingly competitive media landscape.

Innovation, creativity, new ways of thinking – these have always been and will remain central to how Viacom succeeds in an increasingly competitive media landscape.

We maintain a culture that encourages risk-taking and constant reinvention. For example, Paramount recently announced a deal with several major theater chains to dramatically shorten the window between when two recent releases will be in the theater and when they will be available for download at home. It's the first effort of its kind and not something that will work for every release, but it's a smart strategy for select titles.

In another example, Nickelodeon recently launched a direct-to-consumer mobile service called NOGGIN, featuring a vast library of preschool-focused content. It is already a big hit with kids and their families and we're excited about the potential of NOGGIN and similar products to help us connect directly to our audiences and give them an additional way of connecting to our programming.

Each of our brands takes a slightly different approach to experimentation and risk-taking, but these are essential to how we overcome changes in consumer consumption patterns and other industry challenges, and are a fundamental part of our DNA.

Building a diverse and inclusive workforce has been a major focus for you in leading Viacom. What makes this so critical and are you happy with the results of your efforts in this regard?

Our brands speak authentically to a diverse audience, and it's important we have a team that reflects the culture of that audience. Not only is it the right thing to do, but it contributes to making our content rich, engaging, and entertaining.

We have vibrant employee affinity groups, initiatives in place to create broader opportunities for women in the workplace, those that combat bias and support the LGBT community, and many others that promote an inclusive environment and reflect our values as a company.

I believe we have made great strides but, when it comes to diversity and inclusion, but there is always more to do and areas of improvement.

You serve as a co-Chair of the Partnership for New York City. What makes the Partnership so effective and how you define the role that the Partnership plays?

I'm very proud to help lead such an important organization. Partnership of New York City continues to be a strong voice for nonpartisan change, working with state and local leaders of both parties to develop common sense solutions to our most challenging problems. New York has tremendous energy and an abundance of diversity and talent. It is a place where great things can and do happen with the right mission and the right team. Fortunately for us, we have a very good team at Partnership for New York City.

Each of our brands takes a slightly different approach to experimentation and risk-taking, but these are essential to how we overcome changes in consumer consumption patterns and other industry challenges.

As Mayor, Mike Bloomberg emphasized that a key to growth for New York City was building a technology/innovation hub in the city. Are you surprised to see how quickly this has happened, and what makes New York City such an attractive place for entrepreneurs and emerging companies?

I'm not surprised at all. New York City has always been a leader in providing business with the right resources and environment they need to succeed, and it has an educated, highly skilled workforce that rivals any in the world.

Viacom has operations in many places all over the globe but this is our home. There's no other place like it, and that's why my partners and I at Partnership for New York City are committed to continuing New York's very successful public/private partnerships, which promote economic growth and opportunity.

As the world's center of commerce and culture, New York has never been a better place to start or grow a business that serves the global economy.

You speak about Viacom's business with such passion and are an articulate spokesman for the industry. What makes this industry so exciting for you and what do you tell young people about the type of career that the industry offers?

The media industry is constantly reinventing itself, responding to accelerating shifts in technology and reflecting rapid cultural change around the world. I feel incredibly fortunate to be part of an industry that plays such an important part in so many people's lives. I go to work every morning at a place bursting with energy and creativity, and I am constantly inspired by our remarkable team at Viacom. There are so many varied roles for employees in a company like ours, but all are predicated on a genuine love for what we do every day – bringing entertainment to people of all ages all around the world.

I would encourage any young person hoping to work in our industry to be an enthusiastic and inquisitive consumer of entertainment, learn as much as possible about media and technology, and find a unique, individual career path based on what most inspires them. Don't be afraid to find the fun in work and to take risks. The media business has always rewarded creative people who break the rules. ●