

SECURITIES AND EXCHANGE COMMISSION

FORM SC 14D9/A

Tender offer solicitation / recommendation statements filed under Rule 14d-9 [amend]

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SUBJECT COMPANY

PARAMOUNT COMMUNICATIONS INC /DE/

CIK: **44482** | IRS No.: **741330475** | State of Incorporation: **DE** | Fiscal Year End: **0430**
Type: **SC 14D9/A** | Act: **34** | File No.: **005-10760** | Film No.: **94500820**
SIC: **7812** Motion picture & video tape production

Business Address
*15 COLUMBUS CIRCLE
NEW YORK NY 10023-7780
2123738000*

FILED BY

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 20
to
SCHEDULE 14D-9
(with respect to the tender offer by QVC Network, Inc.)

Solicitation/Recommendation Statement
Pursuant to Section 14(d) (4)
of the Securities Exchange Act of 1934

PARAMOUNT COMMUNICATIONS INC.
(Name of Subject Company)

PARAMOUNT COMMUNICATIONS INC.
(Name of Person Filing Statement)

Common Stock, par value \$1.00 per share
Including the associated Common Stock Purchase Rights
(Title of Class of Securities)

699216 10 7
(CUSIP Number of Class of Securities)

Donald Oresman, Esq.
Paramount Communications Inc.
15 Columbus Circle
New York, New York 10023-7780
(212) 373-8000
(Name, address and telephone number of person authorized
to receive notices and communications on behalf
of the person filing statement)

Copy to:
Joel S. Hoffman, Esq.
Simpson Thacher & Bartlett
425 Lexington Avenue
New York, New York 10017
(212) 455-2000

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This Amendment No. 20 supplements and amends to the extent indicated herein the Solicitation/Recommendation Statement on Schedule 14D-9 of Paramount Communications Inc., filed with the Securities and Exchange Commission on November 8, 1993 (as supplemented and amended through the date hereof, the "Schedule 14D-9"), with respect to the Revised QVC Offer (as described herein and therein). Capitalized terms used herein and not otherwise defined herein have the meanings ascribed to such terms in the Schedule 14D-9.

Item 2. TENDER OFFER OF THE BIDDER

The response to Item 2 is hereby supplemented and amended as follows:

On January 7, 1994, QVC issued a press release, a copy of which is filed as Exhibit No. 60 to the Schedule 14D-9 and is incorporated herein by reference.

On January 10, 1994, QVC issued a press release announcing, among other things, the extension of the expiration date of the Revised QVC Offer to 12:00 midnight on January 21, 1994. A copy of QVC's press release is filed as Exhibit No. 61 to the Schedule 14D-9 and is incorporated herein by reference.

Item 3. IDENTITY AND BACKGROUND

The response to Item 3(b) is hereby supplemented and amended as follows:

Reference is made to the QVC press releases filed as Exhibit Nos. 60 and 61 to the Schedule 14D-9, which press releases are incorporated herein by reference.

Item 4. THE SOLICITATION OR RECOMMENDATION

The response to Item 4(a) is hereby supplemented and amended as follows:

On January 7, 1994, Paramount issued a press release, a copy of which is filed as Exhibit No. 62 to the Schedule 14D-9 and is incorporated herein by reference.

Item 7. CERTAIN NEGOTIATIONS AND TRANSACTIONS BY THE SUBJECT COMPANY

The response to Item 7(a) is hereby supplemented and amended as follows:

On January 7, 1994, Viacom issued a press release, a copy of which is filed as Exhibit No. 63 to the Schedule 14D-9 and is incorporated herein by reference. On January 9, 1994, Viacom issued a press release, a copy of which is filed as Exhibit No. 64 to the Schedule 14D-9 and is incorporated herein by reference.

According to Amendment No. 20 to the Schedule 14D-1 filed by Viacom, Blockbuster Entertainment Corporation, a Delaware corporation ("Blockbuster"), has joined Viacom as a bidder in the Viacom Offer, and the address of the principal executive offices of Blockbuster is One Blockbuster Plaza, Fort Lauderdale, Florida 33301-1860.

Item 9. MATERIAL TO BE FILED AS EXHIBITS

The response to Item 9 is hereby supplemented and amended to add the following:

- Exhibit 60 - Press Release issued by QVC on January 7, 1994.
- Exhibit 61 - Press Release issued by QVC on January 10, 1994.
- Exhibit 62 - Press Release issued by Paramount on January 7, 1994.
- Exhibit 63 - Press Release issued by Viacom on January 7, 1994.
- Exhibit 64 - Press Release issued by Viacom on January 9, 1994.

SIGNATURE

After reasonable 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.

PARAMOUNT COMMUNICATIONS INC.

By Donald Oresman

Name: Donald Oresman
Title: Executive Vice President

Dated: January 10, 1994

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EXHIBIT INDEX

Exhibit -----	Description -----	Page No. -----
1*	Pages 5, 6 and 10-20 of Paramount's Proxy Statement dated January 29, 1993 for its 1993 Annual Meeting of Stockholders.	
2*	Employment Agreement with Robert Greenberg, a senior vice president of Paramount, dated as of April 5, 1993.	
3*	Press Release issued on November 6, 1993.	
4*	Letter to Stockholders of Paramount dated November 8, 1993 with respect to the Viacom Offer.	
5*	Letter to Stockholders of Paramount dated November 8, 1993 with respect to the QVC Offer.	
6*	Amended and Restated Agreement and Plan of Merger, dated as of October 24, 1993, between Paramount and Viacom.	
7*	Amendment No. 1, dated as of November 6, 1993, to the Amended and Restated Agreement and Plan of Merger.	
8*	Stock Option Agreement, dated as of September 12, 1993, as amended on October 24, 1993, between Paramount and Viacom.	
9*	Voting Agreement, dated as of September 12, 1993, as amended on October 24, 1993, between Paramount	

and Amusements.

- 10* Press Release issued by Viacom on November 12, 1993.
- 11* Press Release issued on November 15, 1993.
- 12* Letter to Stockholders of Paramount dated November 16, 1993 with respect to the QVC Offer.
- 13* Press Release issued by QVC on November 20, 1993.
- 14* Press Release issued by Viacom on November 19, 1993.
- 15* Press Release issued by QVC on November 22, 1993.
- 16* Press Release issued by Viacom on November 22, 1993.
- 17* Press Release issued by QVC on November 23, 1993.
- 18* Press Release issued by Viacom on November 23, 1993.
- 19* Press Release issued by QVC on November 24, 1993.
- 20* Press Release issued by Viacom on November 24, 1993.
- 21* Memorandum Opinion in QVC Network, Inc. v. Paramount Communications Inc., et al., Civ. Action No. 13208 (Del. Ch. November 24, 1993).
- 22* Preliminary Injunction Order in QVC Network, Inc. v. Paramount Communications Inc., et al., Civ. Action No. 13208 (Del. Ch. November 24, 1993).
- 23* Press Release issued by Paramount on November 24, 1993.
- 24* Press Release issued by Viacom on November 24, 1993.
- 25* Press Release issued by Viacom on November 26, 1993.
- 26* Press Release issued by Viacom on November 29, 1993.

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* Previously filed.

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Exhibit	Description	Page No.
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27*	Order of the Delaware Supreme Court dated November 29, 1993.	
28*	Press Release issued by QVC on December 1, 1993.	
29*	Revised Memorandum Opinion in QVC Network, Inc. v. Paramount Communications Inc., et al., Civ. Action No. 13208 (Del. Ch. November 24, 1993).	
30*	Press Release issued by QVC on December 10, 1993.	
31*	Press Release issued by Paramount on December 9, 1993.	
32*	Press Release issued by Viacom on December 9, 1993.	
33*	Order in Paramount Communications Inc., et al. v. QVC Network, Inc., Civ. Action No. 13208 (Del. December 9, 1993).	
34*	Press Release issued by QVC on December 9, 1993.	
35*	Letter from Richards, Layton & Finger to Vice Chancellor Jack B. Jacobs of the Delaware Court of Chancery dated December 10, 1993.	
36*	Bidding Procedures of Paramount dated December 14,	

1993.

- 37* Press Release issued by Paramount on December 14, 1993.
38* Letter to Stockholders of Paramount dated December 14, 1993 with respect to the Viacom Offer and the QVC Offer.
39* Press Release issued by QVC on December 14, 1993.
40* Press Release issued by Viacom on December 14, 1993.
41* Press Release issued by QVC on December 16, 1993.
42* Letter from Wachtell, Lipton, Rosen & Katz to Lazard dated December 14, 1993.
43* Letter from Simpson Thacher & Bartlett to Wachtell, Lipton, Rosen & Katz dated December 15, 1993.
44* Press Release issued by Paramount on December 15, 1993.
45* Letter from the Delaware Chancery Court to Young, Conaway, Stargatt & Taylor; Richards, Layton & Finger; Morris & Morris; and Morris, Nichols, Arsht & Tunnell dated December 14, 1993.
46* Revised pages to the Memorandum Opinion in QVC Network, Inc. v. Paramount Communications Inc., et al., Civ. Action No. 13208 (Del. Ch. November 24, 1993).
47* Letter from Shearman & Sterling to Lazard dated December 15, 1993.
48* Letter from Simpson Thacher & Bartlett to Shearman & Sterling dated December 16, 1993.
49* Letter from Simpson Thacher & Bartlett to Wachtell, Lipton, Rosen & Katz dated December 17, 1993.
50* Press Release issued by Paramount on December 20, 1993.
51* Press Release issued by QVC on December 22, 1993.
52* Press Release issued by Paramount on December 22, 1993.
53* Agreement and Plan of Merger, dated as of December 22, 1993, between Paramount and QVC.

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* Previously filed.

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Exhibit	Description	Page No.
- - - - -	- - - - -	- - - - -
54*	Voting Agreement dated December 22, 1993 among BellSouth Corporation, Comcast Corporation, Cox Enterprises, Inc., Advance Publications, Inc. and Arrow Investments, L.P.	
55*	Letter to Stockholders of Paramount dated December 23, 1993 with respect to the Revised QVC Offer and the Viacom Offer.	
56*	Opinion of Lazard dated December 21, 1993.	
57*	Notice of Termination dated December 22, 1993 delivered	

by Paramount to Viacom.

58* Exemption Agreement, dated as of December 22, 1993,
between Viacom and Paramount.

59* First Amendment, dated as of December 27, 1993, to
Agreement and Plan of Merger, dated as of December 22,
1993, between Paramount and QVC.

60 Press Release issued by QVC on January 7, 1994.

61 Press Release issued by QVC on January 10, 1994.

62 Press Release issued by Paramount on January 7, 1994.

63 Press Release issued by Viacom on January 7, 1994.

64 Press Release issued by Viacom on January 9, 1994.

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* Previously filed.

NEWS FROM QVC

QVC NETWORK, INC
GOSHEN CORPORATE PARK
WEST CHESTER, PA 19380
(215) 430-1000

For Immediate Release:
- - - - -

West Chester, PA (January 7, 1994) -- QVC (NASDAQ: QVCN) stated tonight that it believes that the new Viacom offer violates the bidding procedures agreed to among QVC, Paramount and Viacom and does not operate to trigger a new round of bidding.

QVC intends to make an announcement with respect to the extension of its offer prior to the opening of the market on Monday, January 10.

QVC stated that it believes the new heavily front-end loaded Viacom-Blockbuster offer, even at the values that QVC understands Viacom to have ascribed to its offer, is inferior to QVC's current offer. Moreover, in view of the consideration being offered to Blockbuster stockholders in the proposed Viacom-Blockbuster merger, QVC believes it likely that the blended value of the new Viacom offer will be less than Viacom's estimates and even less than Viacom's previous offer.

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Contacts
- - - - -

Press:
- - - - -

Michael Rourke of QVC
(212) 371-5999
Donald Van de Mark of QVC
(215) 429-5666

Investors:
- - - - -

William F. Costello of QVC
(215) 430-8938
Diana Brainerd of
Abernathy/MacGregor/Scanlon
(212) 371-5999

QVC EXTENDS TENDER OFFER

WEST CHESTER, Pa., Jan. 10 -- QVC (NASDAQ: QVCN) announced today that it has extended the expiration date of its tender offer for 50.1% of the common stock of Paramount Communications Inc. (NYSE: PCI) to 12 midnight, New York City time on Friday, Jan. 21, 1994. As of 12 midnight, New York City time on Friday, Jan. 7, 1994, approximately 26,843,070 shares of Paramount common stock had been tendered in the offer.

QVC is informing the Paramount Board of Directors of QVC's position that Viacom has violated the bidding procedures and QVC is requesting that Paramount take appropriate action in light of that violation. QVC will await the action of the Paramount Board on Wednesday before deciding what additional action to take.

CONTACT: Press: Michael Rourke, 212-371-5999 or Donald Van de Mark, 215-429-5666, both of QVC; or Investors: William F. Costello of QVC, 215-430-8938, or Diana Brainerd of Abernathy/MacGregor/Scanlon, 212-371-5999

PARAMOUNT COMMUNICATIONS BOARD TO CONVENE NEXT WEEK

NEW YORK, Jan. 7 -- Paramount Communications, Inc. (NYSE: PCI) said today that its board of directors will convene next week to consider Viacom's (AMEX: VIA) revised proposal to acquire Paramount, announced earlier today.

CONTACT: Jerry Sherman, 212-373-8725, or Carl D. Folta, 212-373-8530, both of Paramount Communications, or Jeff Taufield of Kekst and Company, 212-593-2665.

BLOCKBUSTER AND VIACOM ANNOUNCE \$8.4 BILLION MERGER

VIACOM INC. INCREASES ITS TENDER OFFER TO \$105 PER SHARE FOR 50.1% OF PARAMOUNT STOCK

- - Market Capitalization of Combined
Viacom/Blockbuster/Paramount
Valued at \$26 Billion -

New York, New York, January 7, 1993 -- Viacom Inc. (ASE: VIA and VIAB) and Blockbuster Entertainment Corporation (NYSE: BV) today announced they have entered into a definitive merger agreement under which Blockbuster will merge into Viacom. Under the terms of the agreement, which was unanimously approved by the Boards of Directors of both companies, Blockbuster shareholders will receive .08 of a share of Viacom Class A Common Stock, and .60615 of a share of Viacom Class B Common Stock, and one variable common right (VCR) for each share of Blockbuster. The transaction is valued at \$8.4 billion, based on the closing market prices of Viacom stock on January 6, 1994. The combined Viacom/Blockbuster company will be named Viacom-Blockbuster Inc.

Viacom also announced an increase to \$105 per share, or \$6.5 billion, for the 50.1% in cash consideration to be paid to shareholders of Paramount Communications Inc. (NYSE: PCI) under its revised tender offer.

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Viacom and Blockbuster together announced that, subject to the consummation of Viacom's tender offer for Paramount, Blockbuster has agreed to invest \$1.25 billion in Viacom by purchasing approximately 23 million shares of Viacom Class B Common Stock at \$55.00 per share. The shares purchased by Blockbuster will reduce the number of shares previously

offered to existing Paramount shareholders, placing shares that would otherwise have been distributed to public shareholders in the hands of Blockbuster. The additional cash component of this transaction, provided by the Blockbuster investment, will provide Paramount shareholders with increased monetary consideration and added value, with virtually no dilution to shareholders. In the context of the ultimate combination of Viacom, Blockbuster and Paramount, the resulting company will enjoy a significantly strengthened capital structure. Upon the completion of the Paramount acquisition, the company will be renamed.

"The combination of Viacom with Blockbuster and Paramount creates a uniquely diversified portfolio of global entertainment assets and operations with extraordinary capacity to exploit worldwide opportunities. The potential for the exploitation and expansion of brand names and franchises will be dramatic," said Sumner M. Redstone, Chairman of the Board of Viacom.

"Blockbuster's established relationships with customers and large presence in the retail video and music markets provide Viacom with important access and distribution to consumers of entertainment products.

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"We look forward to welcoming Blockbuster and its employees to the Viacom family. Blockbuster's headquarters will be maintained in Ft. Lauderdale.

"From the very beginning, Viacom's strategic rationale for joining forces with Paramount was the creation of a new global entertainment powerhouse with an array of complementary, world-class assets in a wide variety of entertainment and communication businesses," Mr. Redstone stated.

H. Wayne Huizenga, Chairman of the Board of Blockbuster, said, "This transaction is an exciting development for our company

and our shareholders, reflecting the vision we share with Viacom related to building a global integrated entertainment company. Blockbuster's retail distribution systems and our programming and production business together with Viacom's entertainment franchises represent a formidable combination."

William C. Ferguson, Chairman of NYNEX Corporation, expressing strong support for today's announcement, said, "We initially

joined forces with Viacom in our belief that Viacom presented numerous opportunities to leverage our existing businesses by pursuing joint opportunities. We continue to believe that a combined Viacom/Blockbuster/ Paramount will bring value to NYNEX."

With the completion of the merger, Mr. Redstone will become Chairman of the Board of the combined company and will own 61% of the combined company's voting stock. With the completion of the Blockbuster merger, Mr. Huizenga will

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become Vice Chairman of the combined company. This new entity will have a mutually agreed upon Board of Directors consisting of six Directors designated by Viacom, three Directors designated by Blockbuster, including Mr. Huizenga and Steven R. Berrard, Blockbuster's Vice Chairman, two Directors designated by NYNEX Corporation, including William C. Ferguson, Chairman of NYNEX Corporation and a current Director of Viacom's board, and one independent Director.

The Tender Offer for Paramount and Related Merger

Viacom's tender offer has been extended to Friday, January 21, 1994. Under the terms of the Exemption Agreement between Viacom and Paramount and the Agreement and Plan of Merger between QVC Network Inc. and Paramount, Viacom said that QVC would also be required to extend its offer to expire no earlier than that date. As permitted by the terms of the Exemption Agreement, Viacom's amended tender offer is for 50.1% of the outstanding shares of the common stock of Paramount. Viacom's offer contemplates the execution of a definitive merger agreement with Paramount providing for the conversion of each share of Paramount that is not acquired pursuant to the offer into the right to receive .93065 shares of Viacom Class B Common Stock and .30408 of a share of Viacom's convertible preferred stock. Viacom said that as of the close of business on Thursday, January 6, 1994, approximately 2,305,900 shares of Paramount stock had been tendered and not withdrawn.

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Under the Exemption Agreement, Paramount is required to execute the definitive merger agreement if 50.1% of the

outstanding shares of Paramount are validly tendered for Viacom's offer and not withdrawn by its expiration date. Other terms of Viacom's offer, including the terms of the convertible preferred stock in the merger with Paramount, are substantially unchanged from Viacom's existing offer.

The Blockbuster/Viacom Merger

The merger of Blockbuster into Viacom, which is intended to be tax-free, is subject to customary conditions, including approval of shareholders of both companies. However, the merger is not conditioned upon consummation of Viacom's tender offer or any other transaction involving Paramount.

Viacom said that certain Blockbuster shareholders holding approximately 22.7% of the outstanding Blockbuster shares, including Mr. Huizenga and Mr. Berrard, had granted Viacom proxies to vote in favor of the proposed merger. Viacom also said that certain Blockbuster shareholders granted Viacom options to purchase a portion of such shares amounting to 6.1% of Blockbuster's outstanding shares at a price of \$30.125 per share. Mr. Huizenga and Mr. Berrard were among the Blockbuster stockholders who provided Viacom with stock options and proxies with respect to their personal holdings of shares.

The variable common rights (VCRs) to be issued in connection with this transaction convert into Viacom Class B shares under certain circumstances. The number of Viacom Class B shares into which the VCRs will convert will

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generally be based upon the highest 30 consecutive trading day average price for Viacom Class B Common Stock during the 90 trading days prior to the conversion date, which occurs on the first anniversary of the completion of the Blockbuster merger. In the event that such value is less than \$48 per share and more than \$40 per share, the VCRs will convert into the right to receive .05929 of a share of Viacom Class B Common Stock. If such value is below \$40 per share, such number of shares will increase ratably to the maximum of .13829 of a share of Viacom Class B Common Stock at a value of \$36 per share or, if such value is above \$48 per share, the number of shares into which the VCR will convert will decrease ratably to have no value at a price of \$52 per share. The upward adjustment in the value of the VCR in excess of .05929 of a share of Viacom Class B Common Stock will not be made in the event that, during any 30 trading day period following the completion of the merger and prior to the conversion date, the average

closing price exceeds \$40 per share. In the event that during any such period such average price exceeds \$52 per share, the VCR will terminate.

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. Merrill Lynch & Co. is acting as financial advisor to Blockbuster.

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Viacom Inc. is the holding company parent of Viacom International Inc., which together own and operate basic cable and premium television networks (MTV, MTV Europe, Nickelodeon, Nick at Nite, VH-1, Showtime, The Movie Channel and FLIX); own one-half of Comedy Central and All News Channel and one-third of Lifetime; own SET Pay Per View, which provides events for the pay-per-view industry; own a leading provider of programming to the backyard dish market; produce and distribute programming for television exhibition; develop and publish interactive software; own cable systems serving more than 1.1 million customers; and own five television stations and 14 radio stations. National Amusements, Inc., a closely held corporation, owns approximately 76 percent of Viacom Inc.'s Class A and Class B common stock, on a combined basis. National Amusements, Inc. owns and operates approximately 800 movie screens in the United States and the United Kingdom.

Blockbuster Entertainment Corporation, a global leader in the entertainment industry, is the world's largest home video retailer and one of the world's largest music retailers. At December 31, 1993, Blockbuster had 3,593 video stores (2,698 company-owned and 895 franchise-owned) operating in nine countries and domestically in 49 states, and 511 music stores (including 20 megastores in a joint venture with the Virgin Retail Group) in seven countries and throughout the United

States. Blockbuster also owns 70.5% of Spelling Entertainment Group Inc. and an equity stake in Republic Pictures Corporation, both of which are leading producers and worldwide distributors of motion picture and television entertainment. The company also owns a 19.6% equity stake in Discovery

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Zone, Inc. (NASDAQ: ZONE), which owns and franchises indoor children's recreational fitness centers known as FunCenters. In addition, the company has franchise rights to develop 100 Discovery Zone FunCenters in the U.S. and formed a joint venture with Discovery Zone to develop 10 FunCenters in the U.K. Blockbuster also has a six-month option to acquire 50.1% of Discovery Zone.

#

Viacom/Blockbuster/Paramount Merger Fact Sheet Attached

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

Blockbuster Entertainment Corp.	
Greg Fairbanks	Wally Knief
(305) 832-3522	(305) 832-3250

VIACOM/BLOCKBUSTER/PARAMOUNT MERGER FACT SHEET

Financial Highlights:

\$9 billion in revenues

\$1.5 billion in operating cash flow

\$26 billion in assets

\$14 billion in stockholders' equity

40,000-plus employees

Corporate Profile: The combination of Viacom, Blockbuster and Paramount, will create a global leader in the production and distribution of entertainment and communication products, with an array of world-class franchises and brand names. The companies participate in the fastest growing segments of the entertainment marketplace, including:

- -- Cable network programming
- -- Video, music and interactive retail distribution
- -- Motion picture and television production

- -- Cable television systems
- -- Television and radio broadcasting
- -- Entertainment centers, theme parks
- -- Publishing
- -- Interactive/Multimedia products
- -- Motion picture theaters

Cable Network Programming: Viacom owns and operates the largest group of basic and premium networks, including MTV,

MTV Europe, Nickelodeon, Nick at Nite, Showtime, The Movie Channel and FLIX. Viacom's brand equity and global impact is unparalleled. In addition to its significant domestic distribution, MTV now reaches more than 251 million homes in 88 territories around the world. Viacom also participates in three joint venture cable services: Comedy Central, Lifetime and All News Channel.

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Paramount is co-owner of USA Network, a leading advertiser-supported basic cable television network. USA includes the Sci-Fi Channel, a basic cable channel devoted exclusively to science fiction, horror and adventure programming. In addition, Paramount's Madison Square Garden

Network is the largest regional cable sports network in the country, providing programming to nearly 5 million subscribers through 231 affiliates.

Video, Music and Interactive Retail Distribution: With more than 3,500 video stores operating in nine countries and domestically in 49 states, Blockbuster is the largest retailer of home video products in the world. Growing from a base of 19 video stores just six years ago, Blockbuster now commands more than 15% of the domestic home video market and is larger than the next 550 competitors combined. The home video marketplace is larger than that of movie theaters, premium cable and pay-per-view combined. Blockbuster's growth in this explosive marketplace is expected to continue into the future.

Blockbuster also is a leader in the retail distribution of music product. With the acquisitions of the Sound Warehouse, Music Plus, and Super Club music retail chains, the recent development of the Blockbuster Music Plus concept, and the joint venture agreement with Virgin Retail Group to build megastores around the world, Blockbuster operates more than 500 music stores in seven countries and throughout the United States.

With more than 600 million consumer visits to its retail stores each year and an active data base of more than 40 million consumers who have rented and purchased product in their retail stores, Blockbuster is the leading global retail distributor of entertainment product in the world.

Motion Picture and Television Production: Through its recent investments in both Spelling Entertainment Group and Republic

Pictures Corporation, Blockbuster is now a leading producer and distributor of filmed entertainment, with over 20,000 hours of programming available for domestic and international distribution.

Blockbuster owns 70.5% of Spelling, a producer and distributor of filmed entertainment supported by a film library of approximately 12,000 hours. This library includes more than 55 off-network series, such as Little House on the Prairie, Dallas, Twin Peaks, and an array of feature films including Basic Instinct, Total Recall, Platoon, and the Rambo trilogy. Spelling also is the producer of the hit network series Beverly Hills 90210 and Melrose Place.

Blockbuster owns approximately 37% of Republic, an independent producer and distributor of filmed entertainment. Republic distributes its extensive classic library and contemporary product to television, home video and theaters across the world. Republic is the 10th largest distributor in the home video industry. Its library includes The Quiet Man, High Noon, as well as the popular television series Bonanza.

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Viacom has an enormous syndication library that includes Roseanne, The Cosby Show, A Different World, I Love Lucy, The Twilight Zone and Hawaii 5-0. It also produces programs for broadcast television, including Matlock, Diagnosis Murder, and the Perry Mason made-for-TV movies. Viacom's first-run syndication programs include The Montel Williams Show, Nick News and This Morning's Business.

Paramount Pictures produces motion pictures for distribution to theatrical markets in the United States and abroad. Paramount has a motion picture library of approximately 890 films. In video, Paramount holds leadership positions.

Paramount Television is at the forefront in the production and distribution of television programming for commercial networks, first-run syndication and cable services, currently producing 30 1/2 hours weekly. Its network programming lineup for the 1993-1994 television season includes, Wings, Frasier, Big Wave Dave's, Viper, The Mommies and Sister Sister. In first-run syndication, Paramount produces Star Trek: The Next Generation, Deep Space Nine, The Untouchables, Entertainment Tonight, The Maury Povich Show, The Arsenio Hall Show and Hard Copy. The Paramount television library includes Cheers, Star Trek, Happy Days, Laverne & Shirley and Taxi.

Cable Television Systems: Viacom Cable owns and operates cable television systems in three regions of the U.S. serving approximately 1.1 million subscribers. In mid-1994, Viacom, in conjunction with AT&T, will be launching a test of consumer acceptance of interactive entertainment and information services at its Castro Valley, California, cable system.

Television and Radio Broadcasting: Viacom owns five network-affiliated television stations (three NBC and two CBS affiliates) and 14 radio stations, making it the sixth largest radio group in the U.S., ranked by market reach.

The Paramount Stations Group owns and operates four independent and three Fox-affiliated stations.

Publishing: Paramount Publishing, through such major imprints as Simon & Schuster, Pocket Books, Silver Burdett Ginn, and Prentice Hall, is one of the world's leading publishers of educational materials, from textbooks to computer-based learning systems, and has significant operations serving the domestic and international consumer and business, technical and professional markets.

Entertainment Facilities and Theme Parks: Through its 19.6% equity in Discovery Zone, Inc., which owns and franchises indoor children's recreational fitness centers known as FunCenters, Blockbuster has a strong presence in the entertainment center marketplace. The company has franchise rights to develop 100 Discovery Zone FunCenters in the U.S. and formed a joint venture with Discovery Zone to develop 10 FunCenters in the U.K. Blockbuster also has a six-month option to acquire 50.1% of Discovery Zone.

This year, Blockbuster opened the initial phase of a family entertainment facility called Blockbuster Golf and Games, in Sunrise, Florida. Additional entertainment facilities are planned at various other U.S. sites.

Blockbuster recently announced a joint venture with Sony Music Entertainment (SME) and Pace Entertainment where the three companies combined their seven existing amphitheaters into a partnership to be managed by Pace. Existing locations are in Charlotte, Phoenix, San Bernadino, Pittsburgh, Raleigh, Houston and Nashville.

Paramount owns and operates five regional theme parks. Paramount also owns and operates Madison Square Garden, one of the premiere showplaces for sports, concerts and other live entertainment, at its Arena and the Paramount Theater, as well as the New York professional basketball and hockey team franchises, the Knicks and the Rangers.

Interactive/Multimedia Products: Viacom New Media and Paramount Technology Group both develop and publish interactive software for a variety of platforms in the multimedia marketplace. Paramount's Computer Curriculum unit is the country's foremost and fastest-growing producer of computer-based learning systems. Blockbuster also is the largest wholesaler and retailer of interactive home video games in the world.

Motion Picture Theaters: Paramount owns the Famous Players motion picture theater chain, which has 441 screens in Canada. Paramount is also joint-owner of the 341-screen Cinamerica theater circuit, and reaches 345 screens in nine countries through a joint venture, United Cinemas International.

VIACOM STATES ITS SUPERIOR TENDER OFFER FOR PARAMOUNT COMPLIES
WITH ALL BIDDING PROCEDURES AND IS NOT COERCIVE

NEW YORK -- In response to certain unfounded statements by QVC Network Inc., Viacom Inc., stated Sunday that Viacom's revised offer for Paramount Communications Inc. fully complies with the bidding procedures agreed to among Paramount, Viacom and QVC and that under those procedures QVC is required to extend its tender offer until 12 midnight on Jan. 21, 1994.

Viacom also has stated that it believes that its offer is superior to QVC's current offer. Viacom's revised offer increases the cash consideration to Paramount stockholders by more than \$1.1 billion over its previous offer and by more than \$800 million over QVC's current offer.

Viacom also stated that it believes the securities offered in the second step merger should be compared to those of QVC in light of the value that would be created by the larger, more diversified and financially strengthened combination of Viacom, Paramount and Blockbuster.

Viacom stated that Paramount stockholders should be given the opportunity to make an informed choice between the Viacom and QVC offers, as required by the bidding procedures.

Furthermore, Viacom fully intends to comply with the requirement of the bidding procedures to extend its offer for 10 business days after satisfaction of its minimum condition of 50.1%, the same minimum condition as QVC.

Because shares tendered into the Viacom tender offer would be prorated, this means that all Paramount stockholders would be given the opportunity to participate in the blended value of Viacom's tender offer and the consideration to be offered in the second-step merger between Viacom and Paramount. Accordingly, Viacom's offer is not coercive and offers all Paramount stockholders the same consideration for their shares.

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