

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.: **94501872**
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. 26
to
SCHEDULE 14D-9
(with respect to the tender offer by Viacom 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. 26 supplements and amends to the extent indicated herein the Solicitation/Recommendation Statement on Schedule 14D-9 of Paramount Communications Inc., as amended and restated on October 27, 1993 (as supplemented and amended through the date hereof, the "Schedule 14D-9"), initially filed with the Securities and Exchange Commission on October 25, 1993, with respect to the Revised Viacom 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 18, 1994, Viacom issued a press release, a copy of which is filed as Exhibit No. 77 to the Schedule 14D-9 and is incorporated herein by reference. Also on January 18, 1994, Viacom delivered a letter to the Paramount Board, a copy of which is attached to the Viacom press release filed as Exhibit No. 77 to the Schedule 14D-9 and is 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 18, 1994, Paramount issued a press release, a copy of which is filed as Exhibit No. 78 to the Schedule 14D-9 and is incorporated herein by reference.

Item 6. RECENT TRANSACTIONS AND INTENT WITH RESPECT TO SECURITIES

The response to Item 6(a) is hereby supplemented and amended as follows:

(10) Lawrence E. Levinson, Senior Vice President, Government Relations, of Paramount, on January 7, 1994, sold 647 Shares in the open market for \$79.50 per Share.

(11) Jerry Sherman, a Senior Vice President of Paramount, on January 6, 1994, sold 4,606 Shares in the open market for \$78.50 per Share.

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Item 9. MATERIAL TO BE FILED AS EXHIBITS

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

Exhibit 77 - Press Release issued by Viacom on January 18, 1994.

Exhibit 78 - Press Release issued by Paramount on January 18, 1994.

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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 19, 1994

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EXHIBIT INDEX

- 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* Amended and Restated Agreement and Plan of Merger, dated as of October 24, 1993, between Paramount and Viacom.
- 4* Stock Option Agreement, dated as of September 12, 1993, as amended on October 24, 1993, between Paramount and Viacom.
- 5* Voting Agreement, dated as of September 12, 1993, as amended on October 24, 1993, between Paramount and Amusements.
- 6* Press Release issued on October 24, 1993.
- 7* Letter to Stockholders of Paramount dated October 25, 1993.
- 8* Press Release issued on November 6, 1993.
- 9* Letter to Stockholders of Paramount dated November 8, 1993 with respect to the Viacom Offer.
- 10* Amendment No. 1, dated as of November 6, 1993, to the Amended and Restated Agreement and Plan of Merger, dated as of October 24, 1993, between Paramount and Viacom.
- 11* Letter to Stockholders of Paramount dated November 8, 1993 with respect to the QVC Offer.
- 12* Press Release issued by Viacom on November 12, 1993.
- 13* Press Release issued on November 15, 1993.
- 14* Letter to Stockholders of Paramount dated November 16, 1993 with respect to the QVC Offer.
- 15* Press Release issued by Viacom on November 19, 1993.
- 16* Press Release issued by QVC on November 20, 1993.
- 17* Press Release issued by Viacom on November 22, 1993.
- 18* Press Release issued by QVC on November 22, 1993.
- 19* Press Release issued by Viacom on November 23, 1993.
- 20* Press Release issued by QVC on November 23, 1993.
- 21* Press Release issued by Viacom on November 24, 1993.
- 22* Press Release issued by QVC on November 24, 1993.
- 23* Memorandum Opinion in QVC Network, Inc. v. Paramount Communications Inc., et al., Civ. Action No. 13208 (Del. Ch. November 24, 1993).

* Previously filed.

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Exhibit	Description	Page No.
24*	Preliminary Injunction Order in QVC Network, Inc. v. Paramount Communications Inc., et al., Civ. Action No. 13208 (Del. Ch. November 24, 1993).	
25*	Press Release issued by Paramount on November 24, 1993.	
26*	Press Release issued by Viacom on November 24, 1993.	
27*	Press Release issued by Viacom on November 26, 1993.	
28*	Press Release issued by Viacom on November 29, 1993.	
29*	Order of the Delaware Supreme Court dated November 29, 1993.	
30*	Press Release issued by QVC on December 1, 1993.	
31*	Revised Memorandum Opinion in QVC Network, Inc. v. Paramount Communications Inc., et al., Civ. Action No. 13208 (Del. Ch. November 24, 1993).	
32*	Press Release issued by Viacom on December 9, 1993.	
33*	Press Release issued by Paramount on December 9, 1993.	
34*	Press Release issued by QVC on December 10, 1993.	
35*	Order in Paramount Communications Inc., et al. v. QVC Network, Inc., Civ. Action No. 13208 (Del. December 9, 1993).	
36*	Press Release issued by QVC on December 9, 1993.	
37*	Letter from Richards, Layton & Finger to Vice Chancellor Jack B. Jacobs of the Delaware Court of Chancery dated December 10, 1993.	
38*	Bidding Procedures of Paramount dated December 14, 1993.	
39*	Press Release issued by Paramount on December 14, 1993.	
40*	Letter to Stockholders of Paramount dated December 14, 1993 with respect to the Viacom Offer and the QVC Offer.	
41*	Press Release issued by Viacom on December 14, 1993.	
42*	Press Release issued by QVC on December 14, 1993.	
43*	Letter from Wachtell, Lipton, Rosen & Katz to Lazard dated December 14, 1993.	
44*	Letter from Simpson Thacher & Bartlett to Wachtell, Lipton, Rosen & Katz dated December 15, 1993.	
45*	Press Release issued by Paramount on December 15, 1993.	
46*	Press Release issued by QVC on December 16, 1993.	
47*	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.

- 48* 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).
- 49* Letter from Shearman & Sterling to Lazard dated December 15, 1993.

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* Previously filed.

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Exhibit	Description	Page No.
- - - - -	- - - - -	- - - - -
50*	Letter from Simpson Thacher & Bartlett to Shearman & Sterling dated December 16, 1993.	
51*	Letter from Simpson Thacher & Bartlett to Wachtell, Lipton, Rosen & Katz dated December 17, 1993.	
52*	Press Release issued by Paramount on December 20, 1993.	
53*	Press Release issued by Paramount on December 22, 1993.	
54*	Press Release issued by QVC on December 22, 1993.	
55*	Notice of Termination dated December 22, 1993 delivered by Paramount to Viacom.	
56*	Exemption Agreement, dated as of December 22, 1993, between Viacom and Paramount.	
57*	Letter to Stockholders of Paramount dated December 23, 1993 with respect to the Revised QVC Offer and the Viacom Offer.	
58*	Opinion of Lazard dated December 21, 1993.	
59*	Agreement and Plan of Merger, dated as of December 22, 1993, between Paramount and QVC.	
60*	Voting Agreement dated December 22, 1993 among BellSouth Corporation, Comcast Corporation, Cox Enterprises, Inc., Advance Publications, Inc. and Arrow Investments, L.P.	
61*	First Amendment, dated as of December 27, 1993, to Agreement and Plan of Merger, dated as of December 22, 1993, between Paramount and QVC.	
62*	Press Release issued by Viacom on January 7, 1994.	
63*	Press Release issued by Viacom on January 9, 1994.	
64*	Press Release issued by Paramount on January 7, 1994.	
65*	Press Release issued by QVC on January 7, 1994.	
66*	Press Release issued by QVC on January 10, 1994.	
67*	Letter from Wachtell, Lipton, Rosen & Katz to the Paramount Board dated January 11, 1994	
68*	Letter from Shearman & Sterling to the Paramount Board	

- dated January 12, 1994.
- 69* Letter from Paramount to Wachtell, Lipton, Rosen & Katz dated January 13, 1994.
- 70* Press Release issued by Paramount on January 12, 1994.
- 71* Letter from Simpson Thacher & Bartlett to Shearman & Sterling and Wachtell, Lipton, Rosen & Katz dated January 13, 1994.
- 72* Letter to Stockholders of Paramount dated January 13, 1994 with respect to the Current QVC Offer and the Revised Viacom Offer.
- 73* Opinion of Lazard dated January 12, 1994.
- 74* Letter from Wachtell, Lipton, Rosen & Katz to Simpson Thacher & Bartlett dated January 14, 1994.
- 75* Letter from Simpson Thacher & Bartlett to Wachtell, Lipton, Rosen & Katz dated January 18, 1994.
- 76* Letter from the Commission to Simpson Thacher & Bartlett dated January 15, 1994.
- 77 Press Release issued by Viacom on January 18, 1994.
- 78 Press Release issued by Paramount on January 18, 1994.

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* Previously filed.

VIACOM RAISES BID FOR PARAMOUNT TO \$10.5 BILLION

-- Viacom raises cash portion of bid to \$107 per share and greatly increases the value delivered to Paramount stockholders by providing warrants and increasing the certainty of Paramount stockholders receiving a minimum of \$48 per share of Viacom B Stock through issuance of contingent value rights --

New York, New York, January 18, 1994 -- Viacom Inc. (ASE: VIA and VIAB) today announced that it has substantially increased its offer for Paramount Communications Inc. (NYSE: PCI) by increasing to \$107.00 per share the amount to be offered in its tender offer for 50.1% of the fully diluted Paramount common shares. Viacom has also increased the certainty of a minimum value of \$48.00 per share for the Viacom Class B Common Stock to be issued in its second-step merger by issuing contingent value rights. Viacom also added to its bid three-year warrants to acquire approximately 30.7 million Viacom Class B Common shares at \$60.00 per share.

Viacom said that its revised bid represents an increase of more than \$800 million in value over its January 7, 1994 proposal to approximately \$10.5 billion. Viacom said that the combination of Paramount, Viacom and Blockbuster is the best way to create sufficient value to justify consideration at the level it now proposes to deliver to the Paramount stockholders and that its offer is at the highest level that it believes would be in the interests of not only the Paramount stockholders, but the stockholders of Blockbuster and Viacom.

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Viacom stated that its revised tender offer represents an increase of more than \$120 million in cash over its previous offer and includes in excess of \$900 million more in cash more than QVC's outstanding offer of \$92.00 per share.

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 its tender offer into an improved package of securities. The consideration for the Paramount shares to be acquired in the merger has been increased by approximately \$700 million in the aggregate and is now substantially more certain. The merger consideration would consist of 0.93065 of a share of Viacom Class B Common Stock, 0.30408 of a share of

Viacom Merger Preferred Stock, 0.93065 of a contingent value right (CVR) and 0.5 of a three-year warrant to purchase an additional share of Viacom Class B Common Stock at \$60.00 per share in exchange for each share of Paramount common stock to be acquired in the merger.

Each CVR will represent the right, on the first anniversary of the proposed merger, to receive the amount by which the Average Trading Value of Viacom Class B Common Stock, in the range of \$38.00 to \$48.00 per share, is less than a minimum price of \$48.00 per share. Viacom will have the right, in its sole discretion, to extend the payment and measurement dates of the CVR by one year, in which case the minimum price will increase to \$51.00 per share; and a right to extend such dates for one further year which, if exercised, would increase the minimum price to \$55.00 per share. The Average Trading Value will be based upon market prices during the 60 trading days ending on the last day of the relevant period. Each warrant will represent the right to acquire, at any time prior to the third anniversary of the merger, one share of Viacom Class B Common Stock at an exercise price of \$60.00 per share.

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Viacom also announced that its tender offer would expire at 12:00 midnight, New York City time, on January 31, 1994. Viacom said that the bidding procedures established by the Paramount Board of Directors and upon which QVC and Viacom have agreed require QVC to extend its tender offer to the same expiration time.

Viacom said that 2,018,944 shares had been tendered into its offer as of the close of business on Friday, January 14, 1994, including 161,352 shares which had been tendered pursuant to notices of guaranteed delivery.

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.

Simultaneous with its announcement, Viacom delivered a letter to the Board of Directors of Paramount. A copy of the letter is attached to this press release.

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

January 18, 1994

VIACOM

The Board of Directors
Paramount Communications Inc.
15 Columbus Circle
New York, NY 10023-7780

Ladies and Gentlemen:

I am pleased to inform you that Viacom has today substantially increased its offer for Paramount Communications Inc. by increasing to \$107.00 per share the amount to be offered in our tender offer for 50.1% of the fully diluted Paramount common shares, increasing the certainty of a minimum value of \$48.00 per share for the Viacom Class B Common Stock to be issued in the second-step merger by issuing contingent value rights, and adding three-year warrants to acquire approximately 30.7 million Viacom Class B Common shares at \$60.00 per share. Viacom's revised bid represents an increase of over \$800 million in value to approximately \$10.5 billion and substantially increases the certainty of the value to be received by Paramount stockholders.

Our tender offer now represents an increase of more than \$120 million in cash over our previous offer and includes in excess of \$900 million more in cash than QVC's offer of \$92.00 per share.

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 its tender offer into an improved package of securities. The consideration for the Paramount shares to be acquired in the merger has been increased by approximately \$700 million in the aggregate and is now substantially more certain. The merger consideration would consist of 0.93065 of a share of Viacom Class B Common Stock, 0.30408 of a share of Viacom Merger Preferred Stock, 0.93065 of a contingent value right (CVR) and 0.5 of a warrant to purchase an additional share of Viacom Class B Common Stock in exchange for each share of Paramount common stock to be acquired in the merger.

Paramount Communications Inc.
January 18, 1994
Page 2

Each CVR will represent the right, on the first anniversary of the proposed merger, to receive, in cash or securities, the amount by which the Average Trading Value of Viacom Class B Common Stock is less than a minimum price of \$48.00 per share. Viacom will have the right, in its sole discretion, to

extend the payment and measurement dates of the CVR by one year, in which case the minimum price will increase to \$51.00 per share, and a further one-year extension right which, if exercised, would increase the minimum price to \$55.00 per share. The Average Trading Value will be based upon market prices during the 60 trading days ending on the last day of the relevant period and is subject to a floor of \$38.00 per share. Each warrant will represent the right to acquire, at any time prior to the third anniversary of the merger, one share of Viacom Class B Common Stock at an exercise price of \$60.00 per share.

As required by law, we have extended our tender offer to expire at 12:00 midnight, New York Time, on January 31, 1994. We assume that QVC Network, Inc. will comply with the agreed-upon bidding procedures and extend its tender offer to the same expiration date.

The blended value of our new offer represents substantial value to Paramount stockholders and is significantly more certain than the blended value of QVC's offer. In comparing the value of the securities proposed to be issued in each bidder's second-step merger, the Paramount Board of Directors should consider the following factors:

- * We have provided you with a great deal of information demonstrating the value that will be created by combining Paramount's assets with those of Viacom and Blockbuster Entertainment Corporation, and by aligning with NYNEX Corporation. Through its enhanced presence in the entertainment business, the combined company would ensure that it benefits from evolving technology and other trends affecting the industry. The combined company would have strong and diversified cash flows, deep management with a proven track record of building and managing diversified public entertainment companies, and the financial and operational resources to pursue numerous new opportunities to extend existing businesses and brands. In contrast, QVC securities offer Paramount stockholders little more than an opportunity to continue to participate as holders of a smaller stake in Paramount itself -- diminished by QVC's anticipated asset sales. We believe that the combination of Paramount, Viacom and Blockbuster is the best way to create sufficient value to justify consideration at the level we now propose to deliver to the Paramount stockholders and that our offer is at the highest level that we believe would be in the interests of not only the Paramount stockholders, but the stockholders of Blockbuster and Viacom.

Paramount Communications Inc.
January 18, 1994

* The value of our overall package is now significantly more certain. It has a substantially larger cash component than the QVC offer, all of which will be paid in the first step. The issuance of the CVRs and warrants addresses any concern about the value of Viacom's securities offered in its second-step merger. Although Viacom continues to believe that it is illogical to apply unadjusted, transaction-affected market prices in lieu of careful financial analysis (particularly where the market prices reflect as much the market's perception of which party will be the successful bidder as its view of fully-distributed value), Viacom has now agreed to stand behind its view of the value of the securities to be issued by Viacom in the merger. In contrast, QVC's offer is substantially dependent upon the value of QVC's securities after consummation of its offer and the depth of the market for such securities. Moreover, we have further enhanced the value of the securities included in our proposal by adding the warrants, which provide Paramount stockholders with additional upside potential.

We are confident that Paramount stockholders, when presented with complete facts, will support Viacom's new offer.

We are available to meet with you or your representatives at your earliest convenience to discuss our revised offer and proposal.

Very truly yours,

VIACOM INC.

By /s/ Sumner M. Redstone

Sumner M. Redstone

cc: Peter Ezersky
Lazard Freres & Co.

Joel S. Hoffman
Simpson Thacher & Bartlett

Martin Lipton
Wachtell, Lipton, Rosen & Katz

PARAMOUNT COMMUNICATIONS INC.

NEWS

FOR IMMEDIATE RELEASE

January 18, 1994

NEW YORK, NY January 18, 1994-- Paramount Communications Inc. said that its Board of Directors will convene later this week to consider Viacom's revised proposal to acquire Paramount, announced earlier today.

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Paramount Communications Inc.
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