

Jaffe, Paramount's president and chief operating officer.

Biondi has headed Viacom since Redstone acquired the company in 1987, while Jaffe assumed his current title in February of 1991.

"The exact roles are not known yet," says Redstone. "Martin and I discussed it and our point of view is simple. We don't care who came from where. The question is: What particular piece of management has the best skills to handle all the assets? I'm telling you this is not going to be too complicated. For one thing, the Paramount people are going to be in this building."

Before Paramount Viacom can make its first acquisition, it may have to fight to keep the hugely successful USA Network within the fold.

Currently, USA is owned jointly by MCA and Paramount. When the two

companies formed that partnership, they signed a non-compete clause that prohibits either of the parties from owning another general entertainment network.

Sources say MCA is already claiming that Paramount Viacom's ownership of MTV, Nickelodeon, Lifetime and Comedy Central would put the new corporation in breach of the partnership agreement.

The problem could lead to a break-up of the partnership, but neither side is likely to want to let the network go. Industry analysts estimate that gross advertising revenue at the basic cable network will total \$300 million this year and subscriber revenues \$160 million. Net revenue is estimated at more than \$400 million, and cash flow at nearly \$90 million.

USA is also a valuable outlet for syndicated off-network programming.

MCA shows on USA have included *Miami Vice* and *Quantum Leap*; Paramount recently sold the network reruns of *Wings*, and its *MacGyver* currently plays on the channel.

It is unclear whether a similar battle will take place over the Sci-Fi Channel, also jointly owned by Paramount and MCA. Sci-Fi Channel, according to analysts, will have gross ad revenue in the \$8 million-\$9 million range, subscriber fees of about \$8 million and negative cash flow of about \$35 million.

Redstone has also indicated he would like to acquire the 67% of the Lifetime cable network that is held by Capital Cities/ABC and Hearst Entertainment. Capcities/ABC, however, has shown no sign that it wants to sell off its interest. Indeed, sources close to ABC say the network would like to acquire more of Lifetime. ■

Paramount Viacom International Inc.

What the new media giant will look like

ENTERTAINMENT

MOTION PICTURES

Paramount Pictures, production and U.S. distribution

United International Pictures, foreign distribution (50% interest)

Paramount Home Video, U.S. distribution

CIC Video, international distribution

Film library (more than 890 titles)

TELEVISION

Network TV production (10 series, 1993-94 season)

Paramount first-run syndication (28 hours per week): *Star Trek: The Next Generation*, *Entertainment Tonight*, *Arsenio Hall Show*, *Hard Copy*, *Maury Povich*, *Star Trek: Deep Space Nine*, *The Untouchables*, *Montel Williams*, *This Morning's Business*

Viacom distribution: *Roseanne*, *The Cosby Show*, *A Different World*

Paramount TV library (more than 5,100 programs)

Viacom TV library (more than 8,500 programs)

THEATERS

Famous Players: 441 screens in Canada

Cinamerica: 341 screens in western U.S. (50% interest)

United Cinemas International: 345 screens in Europe (50% interest)

TV NETWORKS

BASIC CABLE

	millions of subs
USA Network (50% interest)	60.4
Nickelodeon	58.6
MTV	58.6
Lifetime (33% interest)	54.6
VH-1	47.1
Comedy Central (50% interest)	23.5
Sci-Fi Channel (50% interest)	10.0

REGIONAL SPORTS

MSG Network 5.5

INTERNATIONAL

MTV Europe
Nickelodeon UK (50% interest)

PAY TV

Showtime
The Movie Channel
FLIX

Paramount Viacom International would also comprise Paramount's publishing and live entertainment holdings. The publishing assets include Prentice Hall, Simon & Schuster, Pocket Books, Silver Burdell Ginn; Allyn & Bacon, Computer Curriculum Corp. and Appleton & Lange.

The live entertainment arm includes New York's Madison Square Garden and two of the teams that play there, the New York Knicks (NBA) and the New York Rangers (NHL). It also owns five theme parks boasting total 1992 attendance of 11.7 million.

*BROADCASTING & CABLE ranks TV groups by the percentage of the nation's homes with TV's they cover as calculated for compliance with the FCC ownership rules. Under those rules, market coverage of UHF stations is cut in half. The rules limit groups to 25% coverage.

**Area of Dominant Influence, local TV market as defined by Arbitron

CABLE TV

12th Largest Cable Operator
1.1 million subscribers

Regions	number of subscribers
Northern Calif./Oregon	102,000
San Francisco area	388,900
Midwest	175,200
Pacific Northwest	403,000

Paramount
VIACOM™

BROADCASTING

TELEVISION

15th largest group
11 stations/7.8% coverage*

	ADI**
WTXF(TV) Philadelphia (Fox)	4
WDCA-TV Washington (Ind.)	7
KTXA(TV) Dallas-Fort Worth (Ind.)	8
KTHX(TV) Houston (Ind.)	11
WLFL-TV Raleigh-Durham, N.C.	32
KRRT(TV) San Antonio, Tex. (Fox)	36
WVIT(TV) Hartford, Conn. (NBC)	24
KMOV(TV) St. Louis (CBS)	18
WNYT(TV) Albany, NY (NBC)	52
WHEC-TV Rochester, NY (NBC)	69
KSLA-TV Shreveport, LA (CBS)	71

RADIO

6th largest group
13 stations

	ADI**
WTLW(FM) New York	1
KYSR(FM) Los Angeles	2
WLIT-FM Chicago	3
KDBK(FM) San Francisco	4
KDBQ(FM) Santa Cruz, Calif.	4
WLTJ(FM) Detroit	6
WMZQ-AM-FM Washington	7
KIKK-AM-FM Houston	10
KNDD(FM) Seattle	13
KBSG-AM-FM Tacoma, Wash.	13