

Viacom announces layoffs, \$785M in expenses

6 April 2015

Media giant Viacom Inc. on Monday announced a round of layoffs and restructuring that will result in it booking \$785 million in special expenses in its recently ended quarter.

A Viacom spokesman declined to say how many people would be laid off.

The New York company said it will write-down underperforming TV shows and abandon some shows that it bought, as well as make severance payments. Among shows creating the need for the accounting charge are reality programs such as "The Real World" that have lost value as reruns.

The [restructuring](#) comes amid the departure this month of longtime executive Van Toffler, president of Viacom's Music & Logo Group, who is launching a content-creation business. Channels under his purview, such as MTV, Logo, VH1 and CMT, are being reorganized under existing departments.

The move comes after Viacom CEO Philippe Dauman told investors in January that the company had to adapt to shifting consumer behavior. In a memo to staff in February, Dauman said Viacom is working "to incorporate new forms of distribution and to better integrate technology in everything we do."

One example of a recent change in its business model is its plans to launch a stand-alone Nickelodeon channel that would be offered online to paying subscribers.

After the one-time pretax charge for the quarter that ended March 31, the [company](#) expects to save about \$350 million a year.

Viacom Inc. also says it will suspend its stock buyback program until October, the start of its new fiscal year.

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