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IN THE COURT OF CHANCERY OF THE STATE OF DELAWARE

IN AND FOR NEW CASTLE COUNTY

QVC NETWORK, INC., Plaintiff, v. PARAMOUNT COMMUNICATIONS INC., VIACOM INC., MARTIN S. DAVIS, GRACE J. FIPPINGER, IRVING R. FISCHER, BENJAMIN L. HOOKS, FRANZ J. LUTOLF, JAMES A. PATTISON, IRWIN SCHLOSS, SAMUEL J. SILBERMAN, LAWRENCE M. SMALL, and GEORGE WEISSMAN, Defendants.	C.A. No. 13208 AFFIDAVIT OF JAMES A. PATTISON

PROVINCE OF BRITISH COLUMBIA)
: ss.:
CITY OF VANCOUVER)

JAMES A. PATTISON, being duly sworn, deposes and says:

1. I am the Chairman and Chief Executive Officer of the Jim Pattison Group, a diversified company with operations in communications, automotive services, food products, packaging and financial services. Starting from scratch over thirty years ago, I have built the Jim Pattison Group into an operation with annual sales of $3 billion and 14,000 employees. I am also a director of Paramount Communications Inc. ("Paramount"), and I am a member of Paramount's Executive and Audit Committees. I have been a director of Paramount since March 1988. This affidavit is based upon my own personal knowledge. I make this affidavit in

response to the motion for a preliminary injunction filed by QVC Network, Inc. ("QVC"), seeking to enjoin Paramount's strategic merger with its carefully selected partner, Viacom Inc. ("Viacom").

2. Previously, I have served on the board of directors and also the executive committee of Hughes Aircraft, Canada; on the board of directors and the executive committee of McMillan Bloedell, which is Canada's largest forest products company; on the board of directors and the executive committee of Crown Life Insurance Company, one of Canada's largest life insurance companies; and I have served on the board of directors and chaired the audit committee at Henley. Currently, in addition to my position on the Paramount Board, I serve on the board of directors and the executive committee of Canadian Pacific Limited; the board of directors and the audit committee of Toronto Dominion Bank; and the board of directors of Toyota's wholly-owned Canadian subsidiary. I am also on the advisory board of Toyota for its North American operations.

3. Through my experience with my own companies and with companies of which I have been a director (such as Henley), I have had prior experience with merger and acquisition transactions. In fact, the Jim Pattison Group has been built through the acquisition of over 100 Canadian and U.S. companies.

Paramount's Long-Term Strategy

4. At the time I joined the Paramount Board, the company was already implementing a long-term strategy that began in 1983, when a new management team led by Martin Davis undertook to reshape Paramount (then known as Gulf+Western) from a disjointed conglomerate into a major entertainment and publishing company. That strategy has been implemented both by divesting assets that were not part of the company's core entertainment and publishing businesses, such as the sale of The Associates, a financial services company, in 1989 for over $3 billion, and by exploring acquisitions and other business combinations in the area of global communications.

5. In the late 1980s, Paramount continued to look for opportunities to enable it to grow and produce long-term value in its core entertainment and publishing businesses. Paramount made a dramatic move to carry out that strategy in 1989 when it attempted to acquire Time Inc. In 1989, I was strongly in favor of both Paramount's strategy and its attempt to acquire Time.

6. Paramount's attempt to combine with Time was unsuccessful, but the reasons that drove Paramount in 1989 did not go away. For Paramount to compete and succeed, we believed that Paramount had to grow into a global media giant. Therefore, Paramount continued to search for appropriate businesses to acquire or merge with. In fact, as recently as November 10, Paramount succeeded in its bid to acquire Macmillan Publishing.

Macmillan fits splendidly with Paramount's existing publishing business, for example, complementing Paramount's existing strength in introductory-level college texts with Macmillan's focus on higher-level courses. Macmillan's strong adult trade and children's book businesses will also be natural candidates for effective cross-marketing through a variety of media, from print to computers to video.

7. For a potential merger partner, Paramount has wanted a major entertainment company with strong products and talent, with the means to distribute the entertainment "software" that would result from a merged entity, and with the vision and ability to move easily into expanding new technologies for delivering the products to consumers. The ideal partner would also have a strong balance sheet so that the combined company would not be saddled with excessive debt. In addition, the ideal merger would take place without serious regulatory obstacles, which could slow down a combination and create uncertainty.

8. In attempting to carry out its long-term strategy, over the last four years Paramount and its advisors evaluated possible mergers and acquisitions with a host of possible partners. I was informed of these possibilities both in the context of Board meetings and during my regular conversations with Martin Davis, who has kept me well informed during the last few years of the different enterprises that were being considered to help implement our strategic plan for Paramount to grow on a

worldwide basis. Those different enterprises included Turner Broadcasting, Bertelsmann, Cap Cities, NBC, Chris-Craft, Elsevier, Polygram, MCA, Thorn/EMI and TCI. For one reason or another, it was determined that each of those possibilities was undesirable or could not be done.

9. In the many discussions we had in the last three years about Paramount's search for a strategic partner to grow with, one name that kept coming up was Viacom. Over the last few years, I have talked to Martin Davis on average once a week, sometimes every day. For at least the past two years, I recall that in these conversations, Mr. Davis periodically told me that he had met or spoken with Sumner Redstone to discuss the possibility of a business combination.

10. More than a year ago, I spent several days in California at a tennis camp for fourteen of Morgan Stanley & Co.'s clients and potential clients. Numerous representatives of the business community attended the conference. At the conference, I encountered Sumner Redstone, and mentioned to him that I was a director of Paramount Communications. Mr. Redstone said that he knew that. I then remarked that I knew Mr. Davis had been having discussions with him. Mr. Redstone confirmed that that was correct.

11. Over the course of my stay at the conference, I had occasion to spend time with Mr. Redstone in several situations. I was extremely impressed by Mr. Redstone's

knowledge of his business and by his apparent business acumen and success. Because of my knowledge of the discussions between Mr. Davis and Mr. Redstone, and because Mr. Redstone had just been featured on the cover of Business Week, I paid particular attention to what he had to say during the conference.

1993 Discussions with Viacom

12. In the course of my regular discussions with Martin Davis, I learned that in the spring of this year, he met with Sumner Redstone to explore whether a combination of Paramount and Viacom might again be possible. During the course of the following months, I supplemented my knowledge about the status of discussions concerning Viacom from numerous conversations with Martin Davis, who kept me fully apprised of the discussions.

13. On July 7, a meeting of Paramount's Executive Committee was held to talk about the status of discussions with Redstone and Viacom. I participated in that meeting by telephone. Mr. Davis again described how complementary Paramount and Viacom were. He talked about the prior discussions with Viacom, and about the possibility of a merger with Viacom. I recall that the possible merger that was discussed would have involved Paramount shareholders receiving a mix of cash and stock valued in the low to mid $60s. As a result of the discussion at that meeting, we concluded that the value of the proposed deal

was not high enough for our shareholders. I agreed with the decision to reject Viacom's proposal.

14. Throughout the summer, I continued to be advised about the status of discussions concerning Viacom. I also followed my practice of reading press reports about the company.

15. During the first week in September, Martin Davis called to inform me about his discussions with Viacom and said that he would talk about the status of the discussions at our regularly scheduled Board meeting on September 9.

The September 9, 1993 Board Meeting

16. I attended the September 9 meeting in person. The meeting began at about 9:30 or 10:00 in the morning. After we addressed regular business, Mr. Davis reviewed the discussions with Viacom that had taken place over the past three years. That was followed by a very detailed explanation of the key issues in the negotiations, which he explained had taken place with the active assistance of personnel from Lazard Freres & Co. ("Lazard"), including Felix Rohatyn, Steve Rattner, Peter Ezersky and others.

17. Mr. Davis described the negotiations on price and price protection. He talked about the fact that the price was based upon the value of Viacom stock in the market at that time, and about the fairness of the price that was proposed, which was in the high sixties. My own consideration of these issues was further informed by my knowledge that Mr. Redstone had been

purchasing Viacom stock during the summer. I considered that a positive fact, reflecting Mr. Redstone's confidence in his own company. I do not specifically recall whether those stock purchases were discussed at the meeting, but I do recall that we looked at charts prepared by Lazard showing the value of Viacom's stock over time, and that we discussed the stock and its price history.

18. Mr. Davis described Viacom's demand for an option to acquire 19.9 percent of Paramount stock at a particular price and for a termination payment, both to be triggered if a deal was agreed to but then was not consummated due to the existence of a better transaction. He described negotiations regarding the right of the Paramount Board to consider other transactions, and to withdraw our recommendation, if the Board's fiduciary duties required.

19. Martin Davis talked about what the management of a merged Paramount-Viacom might look like, pointing out that Sumner Redstone would be chairman of a merged company and that Mr. Davis would be CEO. He also made clear that because of the extent of Mr. Redstone's holdings of Viacom stock, Mr. Redstone would be the controlling stockholder of a combined Paramount-Viacom. It occurred to me that because this was a merger, and because Mr. Redstone had overwhelming voting control of one of the companies, it really did not matter which company was the acquirer; either way, he would have substantial voting control.

20. On the subject of Mr. Redstone being the controlling shareholder, Messrs. Rohatyn, Rattner and Ezersky of Lazard made the point that Paramount's shareholders would keep a real stake in the combined company through owning the stock. They expressed the view that the market reaction would be positive if the transaction was priced at a premium to reflect the fact that Mr. Redstone would have voting control, and if our shareholders retained a continued interest in the merged company. Mr. Davis confirmed that any transaction with Viacom would have to be approved by the shareholders, and discussed the tentative schedule for continued negotiations and a possible deal.

21. At the meeting, the representatives from Lazard distributed detailed written materials analyzing Viacom's and Paramount's businesses. They reviewed these materials in great detail, explaining their analyses page by page. In so doing, the representatives from Lazard made a comprehensive verbal presentation about such information as Paramount's and Viacom's financial status and multiples.

22. Both Martin Davis and the people from Lazard discussed the merits of a merger with Viacom in the context of Paramount's long-term strategy. Mr. Davis said the strong growth potential of a merged Paramount-Viacom made it the most attractive opportunity for Paramount's shareholders, more attractive than simply growing internally or than making an acquisition or entering into other possible transactions. The

Lazard representatives made similar statements, emphasizing the excellent fit between the businesses of Paramount and Viacom. They also noted that Viacom was a strong company that would not saddle the new entity with excessive debt. In fact, I recall that they said it was their preliminary view that Viacom was the best possible fit for Paramount. They also gave examples of other recent deals involving comparable companies.

23. I remember that Martin Davis said that if an agreement with Viacom was reached, it was possible that other proposals could come in. He said if that happened, those proposals would have to be considered on their merits.

24. During this meeting, my Board colleagues and I asked a substantial number of questions about everything that had been described to us. We talked about all of the issues in the proposed deal, and I was satisfied that these issues received the appropriate time and attention. The entire meeting lasted for about three or four hours, at the end of which we all encouraged that discussions should continue. My preliminary view was that Viacom appeared to be the best available merger partner for Paramount.

The September 12, 1993 Board Meeting and the Original Merger Agreement

25. On September 12, the Board held a special meeting to consider the proposed merger between Paramount and Viacom. I participated in that meeting in person.

26. Martin Davis brought us up to date from our discussions on the 9th by explaining that the terms of a proposed transaction had been negotiated which would carry out Paramount's long-term strategy of expansion and future growth in the global entertainment and publishing markets. I was again impressed with the compatibility of Viacom's businesses and assets with Paramount. Mr. Davis summarized the terms of the proposed transaction, beginning with price. From this meeting and from my many prior discussions with Martin Davis, I understood that price had been a primary consideration in the negotiation of the merger. From the presentation and discussion at the meeting, I concluded that Paramount had obtained the best price that could be obtained from Viacom at that time. Based on everything we considered, including Lazard's fairness opinion, I was satisfied that the price represented fair value for the shareholders. In reaching that conclusion, I took into account the recent history of Viacom's share price.

27. The Board also discussed in detail other important terms of the proposed agreement. For example, there was a very thorough discussion of the stock option, which I understood to have been necessary to induce Viacom to do the deal so that we could move forward with our strategic plan. In essence, I viewed the stock option as the price of getting the deal done. I was encouraged by the fact that the option was set at the proposed merger share price (as opposed to an earlier, lower price), which

made the option less favorable for Viacom. I also understood that Paramount had refused to grant an asset option that Viacom had wanted.

28. Mr. Davis also described the $100 million termination fee, which included expenses. I thought a lot about the amount of the termination fee. In particular, I recalled that the costs to Paramount of our unsuccessful effort to acquire Time Inc. in 1989 totalled in excess of $80 million. Given our experience with our own expenses in 1989, the passage of four years, the size of the proposed transaction with Viacom and the types of expenses I knew were involved, the $100 million amount seemed reasonable to me -- especially since Viacom had first proposed that the fee be $150 million, plus expenses.

29. It was explained that the merged company would be called Paramount Viacom International. I was very pleased that the name Paramount came first. It made clear to everyone that Paramount was continuing. And I thought the use of the word International in the name was very fitting. It evidenced our long-term strategy, which was to grow the company in a way that would enable Paramount to compete in the entertainment business on a global scale.

30. Mr. Davis said that it was contemplated that Sumner Redstone would be the Chairman, and Mr. Davis would be CEO. I was aware that Mr. Davis had not asked for a new employment contract. Mr. Davis also said that Stanley Jaffe and

Frank Biondi would lead a transition team to meld together the two halves of the new whole.

31. Mr. Davis expressed his view that a merger with Viacom would best serve Paramount's strategic goals and the long-term interests of the shareholders. He explained that the merger would give our stockholders on ongoing opportunity to maximize the long-term value of their holdings through their continuing interest in an enterprise with enormous potential for growth.

32. Messrs. Rohatyn, Rattner and Ezersky from Lazard also made a detailed presentation. They expressed the view that the value of the proposed transaction to Paramount's shareholders was financially fair. They also distributed and reviewed with us additional detailed written materials and described strategic considerations, a variety of cash flow and other financial analyses, and certain valuations of Viacom. They discussed comparable transactions, such as Time-Warner and Matsushita-MCA.

33. The Lazard presentation also addressed the subject of other potential acquirers of Paramount. The materials distributed by Lazard at the meeting included a list of such companies, including Bertelsmann, Cap Cities, TCI, QVC and Thorn/EMI. The Lazard people explained that they did not think that anyone else would come forward. They said that if anyone did, it would probably be a company on that list, most likely either TCI or QVC. After listening to all of the discussions at the meeting, reviewing the Lazard materials, and taking into

account all the things I had learned over the years about various strategic possibilities for Paramount, my own conclusion was that it was extremely unlikely that there would be a new entrant into the situation.

34. After counsel discussed our fiduciary duties with us, we had further questions and discussion among everyone present to determine whether merging with Viacom was the best available alternative for Paramount's shareholders. I asked several questions, one of which concerned the absence of a "collar" to provide protection in case the price of Viacom's stock went down. I understood from the discussion that the absence of a collar was one of the results of the hard negotiation between the parties, and that Paramount's shareholders were ultimately protected by the fact that if they were not satisfied with the value of the transaction, they could simply turn the deal down by voting against it. In addition, of course, stock prices fluctuate. Focusing only on the price of the stock on a given day is a short-term way of looking at value. What we were most fundamentally interested in was creating the greatest long-term value for the shareholders. In our judgment, the best way to do that was by merging Paramount and Viacom to create a great company with excellent, compatible assets to compete with the likes of Time-Warner, and by affording Paramount shareholders the opportunity to have an equity interest in that enterprise.

35. Because much of the consideration for Paramount's shareholders was to come in the form of non-voting Viacom stock, I also asked about the possibility that Mr. Redstone or his estate might in the future make some sort of deal, at a high premium, involving only the voting stock. There was also a related discussion about the fact that in the proposed transaction, Mr. Redstone would have voting control of the new entity -- Paramount Viacom International. It was explained that the issues relating to the fact that Mr. Redstone would be the controlling shareholder of the merged company were addressed by the premium that was being paid now, which was nearly 30% above the recent market price. I concluded that the premium was extremely attractive. I also concluded that the consideration for the shareholders was fair, particularly in light of the fact that they would have a continuing stake in the company and in the greatly enhanced value that we expect to result from our strategic merger.

36. Although I certainly took into account the advice of Mr. Davis and the fairness opinion from Lazard, frankly, those things alone would not have been enough to convince me to vote in favor of the merger. What really convinced me was the fact that the proposed merger served Paramount's strategy of many years to find a suitable partner with which to grow and expand into a global entertainment force, the fact that a Paramount-Viacom company would have entertainment products and distribution

capabilities that would rival anyone's in the world, the premium over market for the shares, and the fact that shareholders (of which I was one) would carry forward an ownership interest in their newly merged company.

37. The meeting lasted for about three hours. By the end, I felt fully informed and completely comfortable with my decision that the Paramount-Viacom merger was the best available alternative for Paramount and its shareholders. We adopted the merger agreement unanimously and recommended that Paramount's shareholders approve it.

38. Since we voted on September 12, certain things have been said that cannot go unanswered. First and foremost, QVC has come in after the fact and has said that Paramount started an auction and put itself up for sale. That is absolutely false. Paramount was <u>never</u> for sale in the entire time I have been a director of the company. The idea of an auction is completely contrary to our strategic vision, which has been pursued consistently for as long as I have been a member of the Board. By agreeing to merge with Viacom, Paramount was carrying out its long-term strategy, which I believed -- and still believe -- to be in the best interest of Paramount's shareholders. As I said before, the merged company will be <u>Paramount</u> Viacom International.

39. QVC has also alleged that the original merger with Viacom was approved for purposes of entrenchment. That is simply

not true. Martin Davis did not even ask for, much less receive, any kind of new employment contract. He will serve under his existing contract, subject to a new Board, a new Chairman, and a new controlling shareholder.

The Unsolicited QVC Offer

40. I learned that on September 20, 1993, Martin Davis received an unsolicited letter from QVC proposing a merger between QVC and Paramount. I received a copy of that letter by telecopy on September 20. In the letter, QVC proposed that each Paramount share be converted into a combination of QVC stock and cash. Based on the market price of QVC stock at that time, I understand that the offer was valued at $80 a share.

41. After my review of the materials I was provided by Paramount regarding QVC, I concluded that QVC is an immature company without the assets and substance to compare with a company like Paramount. It is also a fraction of the size of Paramount (or Viacom, for that matter), and from what I have learned, it seems to have essentially no assets other than studios in West Chester, Pennsylvania.

42. In addition, in my view, QVC is too dependent upon a single individual and a single concept. It lacks diversity and assets. My conclusion from these facts is that QVC would be a risky and illogical merger partner for Paramount.

The September 27, 1993 Board Meeting

43. A special meeting of the Paramount Board was held on September 27 to discuss the QVC proposal. I attended that meeting in person. At the meeting, we discussed our concerns about the availability of financing for QVC's offer. This lack of certainty about the funding was especially important, because, as we discussed at the September 27 meeting, under the merger agreement with Viacom, I and the rest of the Board felt that it was not prudent to discuss a proposed alternative transaction with another party unless there was proof of the financing. We discussed with counsel and with our financial advisor what would be sufficient evidence of financing under the terms of the merger agreement, and it was agreed that we would not meet with QVC until the conditions were met on the financing requirement.

44. Also at that meeting, Mr. Rohatyn and his Lazard colleagues gave us quite a lot of information about QVC, its business, an analysis of its multiples, and its stock price. They presented certain financial comparisons between QVC and Viacom. The information that I learned about QVC at that meeting only reinforced my belief that Viacom was a superior partner. Still, we did not foreclose QVC from anything. We simply responded that we would consider the QVC proposal when they came forward with sufficient proof of financing.

The October 11, 1993 Board Meeting

45. On October 11, the Board met again to review financing documents submitted by QVC. I participated in that meeting by conference call. We also heard from Mr. Davis that Booz-Allen Hamilton, Inc. ("Booz-Allen"), a management consulting firm known to some of the Board members (including myself), had been engaged to help assess the difference in opportunities in terms of growth potential opportunities, cost savings and revenue enhancement opportunities, and the strategic fit between Paramount and Viacom as compared with Paramount and QVC.

46. At the October 11 meeting, after considering the financing documents, we authorized management to enter into informational discussions with QVC. No one expressed any negative reaction to sitting down with QVC. We simply had some very basic concerns about the QVC proposal, such as what the lasting value of QVC stock was and whether there might be regulatory obstacles to a QVC deal. Therefore, Paramount asked QVC for additional information. Martin Davis, who I was still in touch with constantly, later told me that when QVC finally sent the requested material, they did not give the Paramount people sufficient time to evaluate the material before QVC turned around and announced their tender offer.

The October 24, 1993 Board Meeting and Paramount's Amended Agreement with Viacom

47. On October 24, the Board met yet again. I attended the meeting in person. The event that gave rise to this

meeting was Viacom's suggestion two days earlier that it might be prepared to increase the value of the deal to Paramount's shareholders.

48. At the October 24 meeting, we were advised that Viacom had proposed an increase, on the condition that Paramount approve a two-stage tender offer by Viacom, with the first stage an all cash offer at $80 per share for 43% of the company's stock. We were informed that our advisors had negotiated an amended agreement with Viacom that contained many substantial improvements for Paramount over the original merger agreement.

49. As an initial matter, the consideration for Paramount's shareholders from Viacom improved by nearly $11 a share from the value of the transaction when it was announced on September 12, to $80 per share. Based on close-of-market prices on Friday, October 22, the value had been in the range of $62 per share. Accordingly, the increase was really $18 per share. Paramount also got more flexibility and speed in its ability to respond to a better opportunity and to terminate the merger agreement if we thought it was in the best interests of our shareholders. Together with that, Paramount obtained more flexibility to lift the shareholder rights plan for any party, not just Viacom, if doing so was consistent with our fiduciary duties.

50. During the meeting, everyone viewed these developments as extremely positive. Since the Board had

unanimously approved the original Viacom merger agreement as providing good and fair value, when an improved offer came along from Viacom, I was delighted. My view was supported by the opinion from the Lazard people that the cash and stock in Viacom's proposed two-step tender offer and merger was fair compensation. And the greater freedom to consider and enter into more favorable transactions represented important gains for Paramount's shareholders.

51. There was a discussion about the fact that Viacom was proposing a cash tender offer for only 43% of Paramount's shares, whereas QVC had announced a tender offer for 51%. As a result of aggressive negotiating by Paramount, this situation actually changed during the meeting, when we learned that Viacom was willing to increase the cash portion of its tender offer to 51%.

52. At the October 24 meeting, we also received a presentation and written materials from Mr. Wolf of Booz-Allen. He made a lengthy presentation in which he summarized Booz-Allen's comparative analysis of a merger with Viacom and a merger with QVC. He discussed the difference in the assets of Viacom and QVC, and pointed out how the synergy of putting together the assets was much more powerful for Paramount and Viacom than for Paramount and QVC. In essence, he said that the fit with Viacom was a much better fit than with QVC. It was a very interesting comparison, which of course we had not heard at the Board meeting

on the original proposed transaction with Viacom since at the time we approved the original Viacom merger agreement, QVC had made no proposal to Paramount. Based on Mr. Wolf's report, I concluded that the Viacom merger would provide far greater opportunities for revenue enhancement and sustained growth than would a combination with QVC. Following his presentation, Mr. Wolf answered numerous questions from individual Board members.

53. At this meeting, I recall that we also reviewed written materials from Lazard, which included an outline by Smith Barney (Viacom's investment banker) of Viacom's new proposal for use in explaining the revised terms.

54. After the presentations, we had a discussion about the revised Viacom proposal. During that discussion, Board members asked Lazard and counsel numerous questions. By the end of the meeting, I was satisfied that Paramount had negotiated an even better deal for its shareholders than before, while still retaining its desired merger partner and fulfilling its strategy of many years. I concluded that this was definitely a sounder long-term deal for Paramount's shareholders than the alternative proposed by QVC. Clearly, the other Board members agreed with my view, since a resolution to enter into the amended agreement with Viacom was approved unanimously.

55. On Saturday, November 6, the Board met to consider Viacom's proposal to increase the amount of its tender offer for 51% of Paramount stock from $80 to $85 per share. This move

confirmed to me that Viacom is deeply committed to its common goal with Paramount, to unite the two companies' uniquely complementary assets and talents into a single peerless entertainment company, Paramount Viacom International. Of course, in addition to evidencing Viacom's commitment to our long-term vision, this increase also represented additional short-term value for our shareholders. In light of these developments, the Board unanimously approved Viacom's proposal to amend the agreement by increasing the amount of its tender offer.

Conclusions

56. I have complete confidence that the merger of Paramount and Viacom into Paramount Viacom International will greatly increase long-term shareholder value.

57. My confidence, and all of my decisions in connection with the Viacom merger, are based on the extensive information I and my fellow Board members have received, not only at meetings but in numerous telephone discussions with Martin Davis, and upon our carefully considered deliberations. Since September 9, I have participated in no fewer than six separate Board meetings about the proposed Viacom merger. At those meetings I have received remarkably detailed information from eminently qualified professionals about both Viacom and, later, QVC. I received expert advise from counsel. And my judgment in this matter has been based on my forty years in business.

58. I did <u>not</u> approve the Viacom merger because Martin Davis wanted me to. I did <u>not</u> approve the Viacom merger to try to keep a job for anyone. Together with my Board colleagues, I voted to approve the Viacom merger, both in its initial form and later as amended, because in my fully informed judgment I believe it is the best alternative for Paramount and its shareholders. Indeed, because I own 80,000 shares of Paramount's common stock, I have had good reason to obtain the best value for shareholders.

59. I truly believe that merging with Viacom is the right thing for Paramount to do. Paramount should be allowed to continue to follow its long-term strategy, which it has pursued consistently for the last decade, to grow into a major force in the global entertainment market and to compete more effectively with other world-class companies. Paramount has chosen to fulfill that strategy through a merger with its chosen and most complementary partner, Viacom. That choice should not be disrupted.

James A. Pattison

Sworn to before me this

15 day of November, 1993.

Notary Public

KAREN F.W. LIANG
BARRISTER & SOLICITOR
BOX 12539, OCEANIC PLAZA
1440 - 1066 WEST HASTINGS STREET
VANCOUVER, B.C. V6E 3X1