UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2010

OR

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ________________ to ________________

Commission File Number 001-09553

CBS CORPORATION

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**04-2949533** (I.R.S. Employer Identification No.)
51 W. 52nd Street, New York, New York (Address of principal executive offices)	**10019** (Zip Code)

(212) 975-4321
Registrant's telephone number, including area code

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer o	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No ☒

Number of shares of common stock outstanding at April 30, 2010:

Class A Common Stock, par value $.001 per share – 51,359,803

Class B Common Stock, par value $.001 per share – 628,603,214

CBS CORPORATION
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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

CBS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited; in millions, except per share amounts)

	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009
Revenues	$ 3,530.9	$ 3,159.9
Expenses:		
Operating	2,563.5	2,313.1
Selling, general and administrative	616.1	596.2
Restructuring charges	57.1	.8
Depreciation and amortization	140.8	142.3
Total expenses	3,377.5	3,052.4
Operating income	153.4	107.5
Interest expense	(138.0)	(133.2)
Interest income	1.1	1.6
Gain on early extinguishment of debt	2.4	.7
Other items, net	(13.1)	(11.9)
Earnings (loss) before income taxes and equity in loss of investee companies	5.8	(35.3)
Provision for income taxes	(21.0)	(8.8)
Equity in loss of investee companies, net of tax	(11.0)	(11.2)
Net loss	$ (26.2)	$ (55.3)
Basic and diluted net loss per common share	$ (.04)	$ (.08)
Basic and diluted weighted average number of common shares outstanding	676.3	671.5
Dividends per common share	$ ..05	$ ..05

See notes to consolidated financial statements.

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CBS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Unaudited; in millions, except per share amounts)

	At March 31, 2010	At December 31, 2009
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 872.7	$ 716.7
Receivables, less allowances of $136.7 (2010) and $142.6 (2009)	3,198.7	2,900.2
Programming and other inventory (Note 4)	604.8	1,085.0
Deferred income tax assets, net	307.2	303.4
Prepaid income taxes	14.8	—
Prepaid expenses and other current assets	702.1	630.4
Current assets of discontinued operations	4.9	1.2
Total current assets	5,705.2	5,636.9
Property and equipment:		
Land	329.3	329.3
Buildings	709.1	706.6
Capital leases	196.3	196.3
Advertising structures	2,037.0	2,039.8
Equipment and other	1,714.7	1,726.0
	4,986.4	4,998.0
Less accumulated depreciation and amortization	2,200.8	2,139.3
Net property and equipment	2,785.6	2,858.7
Programming and other inventory (Note 4)	1,402.2	1,464.2
Goodwill	8,663.3	8,667.5
Intangible assets (Note 3)	6,713.7	6,753.7
Other assets	1,397.9	1,489.9
Assets of discontinued operations	88.2	91.1
Total Assets	$ 26,756.1	$ 26,962.0
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 335.6	$ 436.4
Accrued compensation	216.8	320.7
Participants' share and royalties payable	1,026.9	955.0
Program rights	885.8	729.2
Deferred revenue	387.3	461.5
Income taxes payable	—	4.0
Current portion of long-term debt (Note 6)	442.5	443.6
Accrued expenses and other current liabilities	1,397.6	1,376.9
Current liabilities of discontinued operations	19.8	19.2
Total current liabilities	4,712.3	4,746.5
Long-term debt (Note 6)	6,528.3	6,553.3
Pension and postretirement benefit obligations	2,115.4	2,117.4
Deferred income tax liabilities, net	610.7	631.9
Other liabilities	3,486.6	3,636.6
Liabilities of discontinued operations	256.7	256.9
Commitments and contingencies (Note 10)		
Stockholders' Equity:		
Class A Common Stock, par value $.001 per share; 375.0 shares authorized; 51.4 (2010) and 51.8 (2009) shares issued	.1	.1
Class B Common Stock, par value $.001 per share; 5,000.0 shares authorized; 747.1 (2010) and 743.4 (2009) shares issued	.7	.7
Additional paid-in capital	43,456.2	43,479.2
Accumulated deficit	(30,397.9)	(30,371.7)
Accumulated other comprehensive loss (Note 1)	(323.8)	(395.5)
	12,735.3	12,712.8
Less treasury stock, at cost; 120.2 (2010) and 120.4 (2009) Class B Shares	3,689.2	3,693.4
Total Stockholders' Equity	9,046.1	9,019.4
Total Liabilities and Stockholders' Equity	$ 26,756.1	$ 26,962.0

See notes to consolidated financial statements.

CBS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited; in millions)

	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009
Operating Activities:		
Net loss	$ (26.2)	$ (55.3)
Adjustments to reconcile net loss to net cash flow provided by (used for) operating activities:		
Depreciation and amortization	140.8	142.3
Stock-based compensation	32.6	32.9
Equity in loss of investee companies, net of tax and distributions	11.0	12.7
Decrease to accounts receivable securitization program (Note 6)	—	(300.0)
Change in assets and liabilities, net of effects of acquisitions	542.5	145.9
Net cash flow provided by (used for) operating activities	700.7	(21.5)
Investing Activities:		
Acquisitions, net of cash acquired	(1.6)	(6.7)
Capital expenditures	(40.9)	(74.2)
Investments in and advances to investee companies	(31.2)	(12.5)
Purchases of marketable securities	—	(35.6)
Proceeds from dispositions	.2	21.6
Other investing activities	(.1)	(.3)
Net cash flow used for investing activities	(73.6)	(107.7)
Financing Activities:		
Borrowings from banks, including commercial paper, net	—	293.1
Repayment of notes	(17.2)	(151.9)
Payment of capital lease obligations	(4.0)	(3.9)
Dividends	(36.6)	(184.4)
Purchase of Company common stock	(24.7)	(4.0)
Proceeds from exercise of stock options	2.2	—
Excess tax benefit from stock-based compensation	9.6	.4
Decrease to accounts receivable securitization program (Note 6)	(400.0)	—
Other financing activities	(.4)	—
Net cash flow used for financing activities	(471.1)	(50.7)
Net increase (decrease) in cash and cash equivalents	156.0	(179.9)
Cash and cash equivalents at beginning of period	716.7	419.5
Cash and cash equivalents at end of period	$ 872.7	$ 239.6
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 131.5	$ 169.0
Cash paid for income taxes	$ 17.9	$ 47.4

See notes to consolidated financial statements.

CBS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Tabular dollars in millions, except per share amounts)

1) BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business—CBS Corporation (together with its consolidated subsidiaries unless the context otherwise requires, the "Company" or "CBS Corp.") is comprised of the following segments: Entertainment (CBS Television, comprised of the CBS Television Network, CBS Television Studios, CBS Studios International and CBS Television Distribution; CBS Films and CBS Interactive), Cable Networks (Showtime Networks, Smithsonian Networks and CBS College Sports Network), Publishing (Simon & Schuster), Local Broadcasting (CBS Television Stations and CBS Radio) and Outdoor (CBS Outdoor).

Basis of Presentation—The accompanying unaudited consolidated financial statements of the Company have been prepared pursuant to the rules of the Securities and Exchange Commission ("SEC"). These financial statements should be read in conjunction with the more detailed financial statements and notes thereto, included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2009.

In the opinion of management, the accompanying unaudited financial statements reflect all adjustments, consisting of only normal and recurring adjustments, necessary for a fair statement of the financial position, results of operations and cash flows of the Company for the periods presented. Certain previously reported amounts have been reclassified to conform to the current presentation.

Use of Estimates—The preparation of the Company's financial statements in conformity with accounting principles generally accepted in the United States ("U.S.") requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Net Earnings (Loss) per Common Share—Basic earnings (loss) per share ("EPS") is based upon net earnings (loss) divided by the weighted average number of common shares outstanding during the period. Diluted EPS reflects the effect of the assumed exercise of stock options and vesting of restricted stock units ("RSUs"), market-based performance share units ("PSUs") and restricted shares only in the periods in which such effect would have been dilutive. For the three months ended March 31, 2010, stock options to purchase 49.8 million shares of Class B Common Stock and 21.8 million RSUs and PSUs were outstanding but excluded from the calculation of diluted EPS because their inclusion would have been anti-dilutive since the Company reported a net loss. For the three months ended March 31, 2009, stock options to purchase 45.2 million shares of Class B Common Stock and 22.8 million RSUs, PSUs and restricted shares were outstanding but excluded from the calculation of diluted EPS because their inclusion would have been anti-dilutive since the Company reported a net loss.

CBS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Tabular dollars in millions, except per share amounts)

Comprehensive Income (Loss)—Total comprehensive income (loss) for the Company includes net income (loss) and other comprehensive income (loss) ("OCI") items listed in the table below.

	Three Months Ended March 31,	
	2010	2009
Net loss	$ (26.2)	$ (55.3)
Other comprehensive income (loss), net of tax:		
Cumulative translation adjustments	(5.4)	(77.0)
Net actuarial loss and prior service costs	77.0	11.3
Net unrealized gain (loss) on securities	.1	(.9)
Total comprehensive income (loss)	$ 45.5	$ (121.9)

Other Liabilities—Other liabilities consist primarily of the noncurrent portion of residual liabilities of previously disposed businesses, participants' share and royalties payable, program rights, deferred compensation and other employee benefit accruals.

Additional Paid-In Capital—For the three months ended March 31, 2010 and 2009, the Company recorded dividends of $34.6 million and $34.7 million, respectively, as a reduction to additional paid-in capital as the Company had an accumulated deficit balance.

Adoption of New Accounting Standards

Variable Interest Entities

Effective January 1, 2010, the Company adopted revised Financial Accounting Standards Board ("FASB") guidance which changes the model for determining whether an entity should consolidate a Variable Interest Entity ("VIE"). This new model requires an assessment of whether an entity has a controlling financial interest in a VIE and is therefore the primary beneficiary and required to consolidate the VIE. This guidance also requires an ongoing assessment of whether an entity continues to be the primary beneficiary of a VIE. The adoption of this guidance did not have a material effect on the Company's consolidated financial statements.

Transfers of Financial Assets

Effective January 1, 2010, the Company adopted amended FASB guidance on accounting for transfers of financial assets. This amended guidance removes the concept of a qualifying special-purpose entity, establishes specific conditions for reporting a transfer of a portion of a financial asset as a sale, and limits the circumstances in which a financial asset, or portion of a financial asset, should be derecognized when the transferor has not transferred the entire original financial asset and/or when the transferor has continuing involvement with the transferred financial asset. The adoption of this guidance required the Company's securitized accounts receivables to remain on the Consolidated Balance Sheet with a corresponding increase to debt. During the first quarter of 2010, the Company reduced the amounts outstanding under its revolving accounts receivable securitization program from $400.0 million at December 31, 2009 to zero and terminated the program.

CBS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Tabular dollars in millions, except per share amounts)

Recent Pronouncements

Revenue Arrangements with Multiple Deliverables

In October 2009, the FASB issued guidance on revenue arrangements with multiple deliverables, effective for the Company beginning January 1, 2011. This guidance establishes a hierarchy for determining the selling price of a deliverable in a multiple element arrangement. The selling price used for each deliverable will be based on the Company-specific objective evidence if available, third party evidence if Company-specific evidence is not available, or estimated selling price if neither Company-specific objective evidence nor third party evidence is available. This guidance requires the best estimate of the selling price that would be used to sell the deliverable on a stand-alone basis. The Company is currently evaluating the impact of the adoption of this guidance on the consolidated financial statements.

2) STOCK-BASED COMPENSATION

The following table summarizes the Company's stock-based compensation expense for the three months ended March 31, 2010 and 2009.

	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009
RSUs, PSUs and restricted shares	$ 26.8	$ 27.7
Stock options and equivalents	5.8	5.2
Stock-based compensation expense, before income taxes	32.6	32.9
Related tax benefit	(12.8)	(13.2)
Stock-based compensation expense, net of tax	$ 19.8	$ 19.7

During the three months ended March 31, 2010, the Company granted 6.5 million RSUs with a weighted average per unit grant date fair value of $13.03. RSU grants during the first quarter of 2010 generally vest over a four-year service period. Certain RSU awards are also subject to satisfying performance conditions. The number of shares that will be issued upon vesting of RSU awards with performance conditions can range from 0% to 120% of the target award, based on the achievement of established operating performance goals. During the three months ended March 31, 2010, the Company also granted .2 million PSUs with an aggregate grant date fair value of $5.5 million. The number of shares that will be issued upon vesting of PSUs can range from 0% to 300% of the target award, based on the ranking of the total shareholder return for CBS Corp. Class B Common Stock within the S&P 500 Index over a designated three-year measurement period, or in certain circumstances, based on the achievement of established operating performance goals. During the three months ended March 31, 2010, the Company also granted 6.6 million stock options with a weighted average exercise price of $13.43. Stock option grants during the first quarter of 2010 generally vest over a four-year service period.

Total unrecognized compensation cost related to non-vested RSUs and PSUs at March 31, 2010 was $189.9 million, which is expected to be expensed over a weighted average period of 2.6 years. Total unrecognized compensation cost related to unvested stock option awards and stock option equivalents at March 31, 2010 was $81.4 million, which is expected to be expensed over a weighted average period of 3.0 years.

CBS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Tabular dollars in millions, except per share amounts)

3) INTANGIBLE ASSETS

The Company's intangible assets were as follows:

At March 31, 2010	Gross	Accumulated Amortization	Net
Intangible assets subject to amortization:			
Leasehold agreements	$ 892.2	$ (524.2)	$ 368.0
Franchise agreements	494.4	(258.2)	236.2
Other intangible assets	414.9	(212.4)	202.5
Total intangible assets subject to amortization	1,801.5	(994.8)	806.7
FCC licenses	5,738.2	—	5,738.2
Trade names	168.8	—	168.8
Total intangible assets	$ 7,708.5	$ (994.8)	$ 6,713.7

At December 31, 2009	Gross	Accumulated Amortization	Net
Intangible assets subject to amortization:			
Leasehold agreements	$ 883.6	$ (504.1)	$ 379.5
Franchise agreements	512.5	(261.7)	250.8
Other intangible assets	415.6	(199.2)	216.4
Total intangible assets subject to amortization	1,811.7	(965.0)	846.7
FCC licenses	5,738.2	—	5,738.2
Trade names	168.8	—	168.8
Total intangible assets	$ 7,718.7	$ (965.0)	$ 6,753.7

Amortization expense was $33.2 million and $32.9 million for the three months ended March 31, 2010 and 2009, respectively. The Company expects its aggregate annual amortization expense for existing intangible assets subject to amortization for each of the years, 2010 through 2014, to be as follows:

	2010	2011	2012	2013	2014
Amortization expense	$ 129.7	$ 116.2	$ 94.0	$ 82.8	$ 75.2

CBS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Tabular dollars in millions, except per share amounts)

4) PROGRAMMING AND OTHER INVENTORY

	At March 31, 2010	At December 31, 2009
Program rights	$ 1,223.8	$ 1,737.5
Television programming:		
Released (including acquired libraries)	514.8	547.9
In process and other	117.5	134.8
Theatrical programming:		
Released	5.3	—
In process and other	76.6	58.5
Publishing, primarily finished goods	68.1	69.6
Other	.9	.9
Total programming and other inventory	2,007.0	2,549.2
Less current portion	604.8	1,085.0
Total noncurrent programming and other inventory	$ 1,402.2	$ 1,464.2

5) RELATED PARTIES

National Amusements, Inc. National Amusements, Inc. ("NAI") is the controlling stockholder of CBS Corp. Mr. Sumner M. Redstone, the controlling stockholder, chairman of the board of directors and chief executive officer of NAI, is the Executive Chairman of the Board of Directors and founder of both CBS Corp. and Viacom Inc. In addition, Ms. Shari Redstone, Mr. Sumner M. Redstone's daughter, is the president and a director of NAI and the vice chair of the board of directors of both CBS Corp. and Viacom Inc. Mr. David R. Andelman is a director of CBS Corp. and serves as a director of NAI. Mr. Frederic V. Salerno is a director of CBS Corp. and serves as a director of Viacom Inc. At March 31, 2010, NAI beneficially owned CBS Corp. Class A Common Stock representing approximately 80% of the voting power of all classes of CBS Corp.'s Common Stock, and owned approximately 6% of CBS Corp.'s Class A Common Stock and Class B Common Stock on a combined basis.

Viacom Inc. CBS Corp., as part of its normal course of business, enters into transactions with Viacom Inc. and its subsidiaries. CBS Corp., through its Entertainment segment, licenses its television products to Viacom Inc., primarily MTV Networks and BET Networks. In addition, CBS Corp. recognizes advertising revenues for media spending placed by various subsidiaries of Viacom Inc., primarily Paramount Pictures. Paramount Pictures also distributes certain of the Company's television products in the home entertainment market. CBS Corp.'s total revenues from these transactions were $39.0 million and $71.4 million for the three months ended March 31, 2010 and 2009, respectively.

Showtime Networks pays license fees to Paramount Pictures for motion picture programming under an exclusive output agreement which covers feature films initially theatrically released in the U.S. through 2007. Showtime Networks has exhibition rights to each film licensed under this agreement during three pay television exhibition windows over the course of several years after each such film's initial theatrical release. This agreement has not been renewed for new feature films initially theatrically released in the U.S. after 2007. These license fees are initially recorded as programming inventory and amortized over the shorter of the life of the license agreement or projected useful life of the programming. In addition,

CBS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Tabular dollars in millions, except per share amounts)

CBS Corp. places advertisements with and leases production facilities from various subsidiaries of Viacom Inc. The total spending for all of these transactions was $5.3 million and $4.0 million for the three months ended March 31, 2010 and 2009, respectively.

The following table presents the amounts due from or due to Viacom Inc. in the normal course of business as reflected on CBS Corp.'s Consolidated Balance Sheets.

	At March 31, 2010	At December 31, 2009
Amounts due from Viacom Inc.		
Receivables	$ 142.3	$ 164.4
Other assets (Receivables, noncurrent)	243.9	268.3
Total amounts due from Viacom Inc.	$ 386.2	$ 432.7
Amounts due to Viacom Inc.		
Accounts payable	$ 3.3	$ 2.8
Program rights	7.1	18.4
Other liabilities (Program rights, noncurrent)	.4	3.8
Total amounts due to Viacom Inc.	$ 10.8	$ 25.0

Other Related Parties The Company owns 50% of The CW, a television broadcast network, which is accounted for by the Company as an equity investment. CBS Corp., through the Entertainment segment, licenses its television products to The CW resulting in total revenues of $35.2 million and $16.9 million for the three months ended March 31, 2010 and 2009, respectively.

The Company, through the normal course of business, is involved in transactions with other related parties that have not been material in any of the periods presented.

6) BANK FINANCING AND DEBT

The following table sets forth the Company's debt.

	At March 31, 2010	At December 31, 2009
Senior debt (4.625% – 8.875% due 2010 – 2056)[a]	$ 6,888.0	$ 6,909.5
Other notes	2.1	2.7
Obligations under capital leases	101.2	105.2
Total debt	6,991.3	7,017.4
Less discontinued operations debt[b]	20.5	20.5
Total debt from continuing operations	6,970.8	6,996.9
Less current portion	442.5	443.6
Total long-term debt from continuing operations, net of current portion	$ 6,528.3	$ 6,553.3

(a) At March 31, 2010 and December 31, 2009, the senior debt balances included (i) a net unamortized premium of $2.3 million and $2.2 million, respectively, and (ii) an increase in the carrying value of the debt relating to previously settled fair value hedges of $90.4 million and $92.4 million, respectively. The face value of the Company's senior debt was $6.80 billion at March 31, 2010 and $6.81 billion at December 31, 2009.

(b) Included in "Liabilities of discontinued operations" on the Consolidated Balance Sheets.

CBS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Tabular dollars in millions, except per share amounts)

The senior debt of CBS Corp. is fully and unconditionally guaranteed by its wholly owned subsidiary, CBS Operations Inc. Senior debt in the amount of $52.2 million of the Company's wholly owned subsidiary, CBS Broadcasting Inc., is not guaranteed.

During the first quarter of 2010, the Company repurchased $19.5 million of its 5.50% senior debentures due 2033 resulting in a pre-tax gain on early extinguishment of debt of $2.4 million.

In March 2010, the Company called for the redemption of $414.6 million of its 7.70% senior notes due July 30, 2010, which settled on April 30, 2010. In April 2010, the Company issued $500.0 million of 5.75% senior notes due 2020 and used the net proceeds from this offering and cash on hand to repurchase, through a tender offer in April 2010, $400.0 million of its 6.625% senior notes due 2011, $42.6 million of its 8.625% debentures due 2012 and $57.4 million of its 5.625% senior notes due 2012. These transactions will result in a pre-tax loss on early extinguishment of debt of $38.6 million in the second quarter of 2010.

During the first quarter of 2009, the Company repurchased $152.8 million of its 7.70% senior notes due 2010 resulting in a pre-tax gain on early extinguishment of debt of $.7 million.

Credit Facility

At March 31, 2010, the Company had a $2.0 billion revolving credit facility which expires in December 2012 (the "Credit Facility"). The Credit Facility requires the Company to maintain a maximum Consolidated Leverage Ratio of 4.5x at the end of the fiscal quarter, subject to reductions, and a minimum Consolidated Coverage Ratio, of 3.0x for the trailing four quarters, each as further described in the Credit Facility. At March 31, 2010, the Company's Consolidated Leverage Ratio was approximately 3.4x and Consolidated Coverage Ratio was approximately 4.1x.

The primary purpose of the Credit Facility is to support commercial paper borrowings. At March 31, 2010, the Company had no commercial paper borrowings under its $2.0 billion commercial paper program. At March 31, 2010, the remaining availability under the Credit Facility, net of outstanding letters of credit, was $1.82 billion.

Accounts Receivable Securitization Program

The Company participated in a revolving accounts receivable securitization program which provided for the sale of receivables on a non-recourse basis to unrelated third parties on a one-year renewable basis. During the first quarter of 2010, the Company reduced the amounts outstanding under its revolving accounts receivable securitization program from $400.0 million at December 31, 2009 to zero and terminated the program.

On January 1, 2010, the Company adopted amended FASB guidance on the accounting for transfers of financial assets which required the Company's securitized accounts receivables to remain on the Consolidated Balance Sheet with a corresponding increase to debt. As a result, decreases to the accounts receivable securitization program of $400.0 million for the three months ended March 31, 2010 are reflected as cash flows from financing activities and decreases of $300.0 million for the three months ended March 31, 2009 are reflected as cash flows from operating activities under previous FASB guidance.

CBS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Tabular dollars in millions, except per share amounts)

During the three months ended March 31, 2010 and 2009, proceeds from collections of securitized accounts receivables of $263.1 million and $283.0 million, respectively, were reinvested in the revolving receivable securitization program. The net loss associated with securitizing the program's accounts receivables was $.5 million and $.6 million for the three months ended March 31, 2010 and 2009, respectively.

7) PENSION AND OTHER POSTRETIREMENT BENEFITS

The components of net periodic cost for the Company's pension and postretirement benefit plans were as follows:

	Pension Benefits		Postretirement Benefits	
Three Months Ended March 31,	**2010**	**2009**	**2010**	**2009**
Components of net periodic cost:				
Service cost	$ 7.8	$ 7.4	$ .2	$ .2
Interest cost	66.8	72.9	10.8	12.4
Expected return on plan assets	(56.7)	(54.5)	—	—
Amortization of actuarial loss (gain)	17.9	21.3	(2.6)	(2.8)
Amortization of prior service cost (credit)	.1	.2	(.2)	(.1)
Net periodic cost	$ 35.9	$ 47.3	$ 8.2	$ 9.7

8) STOCKHOLDERS' EQUITY

On February 23, 2010, the Company announced a quarterly cash dividend of $.05 per share on its Class A and Class B Common Stock payable on April 1, 2010. The total dividend was $34.6 million of which $33.9 million was paid on April 1, 2010 and $.7 million was accrued to be paid upon vesting of RSUs. During the first quarter of 2010, the Company paid $36.6 million for the dividend declared on November 16, 2009 and for dividend payments on RSUs that vested during the first quarter of 2010.

9) INCOME TAXES

The provision for income taxes represents federal, state and local, and foreign income taxes on earnings (loss) before income taxes and equity in loss of investee companies.

The provision for income taxes was $21.0 million and $8.8 million for the three months ended March 31, 2010 and 2009, respectively. The provision for income taxes for the three months ended March 31, 2010 included three discrete items which impacted comparability totaling $25.9 million, comprised of a $62.2 million reduction of deferred tax assets associated with the recently enacted Patient Protection and Affordable Care Act, partially offset by a $26.4 million reversal of previously established deferred tax liabilities and a $9.9 million tax benefit from the settlements of state and local income tax audits. The provision for income taxes for the three months ended March 31, 2009 included a charge of $18.8 million for the reduction of deferred tax assets associated with stock-based compensation. This reduction reflects the difference between the estimated tax benefit recognized based on the grant date fair value of the stock-based compensation award versus the actual tax benefit realized based on the market value on the date of vest.

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The Company is currently under examination by the Internal Revenue Service ("IRS") for the years 2006 and 2007. The IRS has completed its field audit and the Company expects to settle the audit in 2010. In addition, various tax years are currently under examination by state and local and foreign tax authorities. With respect to open tax years in all jurisdictions, the Company believes it is reasonably possible that the reserve for uncertain tax positions may change within the next twelve months; however, any related estimate of the impact to the reserves for uncertain tax positions can not currently be determined.

10) COMMITMENTS AND CONTINGENCIES

Off-Balance Sheet Arrangements

The Company has indemnification obligations with respect to letters of credit and surety bonds primarily used as security against non-performance in the normal course of business. At March 31, 2010, the outstanding letters of credit and surety bonds approximated $381.1 million and were not recorded on the Consolidated Balance Sheet.

In the course of its business, the Company both provides and receives indemnities which are intended to allocate certain risks associated with business transactions. Similarly, the Company may remain contingently liable for various obligations of a business that has been divested in the event that a third party does not live up to its obligations under an indemnification obligation. The Company records a liability for its indemnification obligations and other contingent liabilities when probable under generally accepted accounting principles.

Legal Matters

Securities and Derivative Actions. On December 12, 2008, the City of Pontiac General Employees' Retirement System filed a self-styled class action complaint in the United States District Court for the Southern District of New York against the Company and its Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer, and Treasurer, alleging violations of federal securities law. The complaint, which was filed on behalf of a putative class of purchasers of the Company's common stock between February 26, 2008 and October 10, 2008 (the "Class Period"), alleges that, among other things, the Company's failure to timely write down the value of certain assets caused the Company's reported operating results during the Class Period to be materially inflated. The plaintiffs seek unspecified compensatory damages. On February 11, 2009, a motion was filed in the case on behalf of The City of Omaha, Nebraska Civilian Employees' Retirement System, and The City of Omaha Police and Fire Retirement System (collectively, the "Omaha Funds") seeking to appoint the Omaha Funds as the lead plaintiffs in this case; on March 5, 2009, the court granted that motion. On May 4, 2009, the plaintiffs filed an Amended Complaint, which removes the Treasurer as a defendant and adds the Executive Chairman. On July 13, 2009, all defendants filed a motion to dismiss this action. On March 16, 2010, the court granted the Company's motion and dismissed this action as to the Company and all defendants. On April 30, 2010, the plaintiffs filed a motion for leave to serve an amended complaint. The Company intends to oppose the plaintiffs' motion. The Company believes that the plaintiffs' claims are without merit and intends to vigorously defend itself in the litigation.

On October 2, 2009, a shareholder derivative complaint, Hatcher v. Moonves, et al., was filed in the United States District Court for the Southern District of New York naming the Company, as a nominal defendant, members of its board of directors and its Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer as defendants. The complaint alleges that the defendants breached fiduciary duties by failing to timely write down the value of certain of the Company's assets and relates to the same or similar allegations in the Omaha Funds case. The complaint seeks, among other things, unspecified compensatory damages, restitution from the defendants with respect to compensation, benefits and profits obtained and the institution of certain reforms to the Company's internal control functions. On December 11, 2009, another shareholder derivative complaint, Iron Workers v. Redstone, et al., was filed in the United States District Court for the Southern District of New York naming the same defendants as the Hatcher action, and making similar claims and demands. On December 28, 2009, the Hatcher and Iron Workers actions were consolidated and, on February 16, 2010, the plaintiffs filed a consolidated amended complaint in the United States District Court for the Southern District of New York. On April 3, 2010, the plaintiffs unilaterally filed a stipulation discontinuing the action without prejudice. On April 6, 2010, the court entered an order adopting this stipulation.

On December 22, 2009, another shareholder derivative complaint, Gray v. Redstone, et al., was filed in the Supreme Court, New York County, naming the same defendants as the Hatcher and Iron Workers actions, and making similar claims and demands. On March 8, 2010, the Company filed a motion to dismiss the action.

Indecency Regulation. In March 2006, the FCC released certain decisions relating to indecency complaints against certain of the Company's owned television stations and affiliated stations. The FCC ordered the Company to pay a forfeiture of $550,000 in the proceeding relating to the broadcast of a Super Bowl half-time show by the Company's television stations (the "Super Bowl Proceeding"). In May 2006, the FCC denied the Company's petition for reconsideration. In July 2006, the Company filed a Petition for Review of the forfeiture with the United States Court of Appeals for the Third Circuit and paid the $550,000 forfeiture in order to facilitate the Company's ability to bring the appeal. Oral argument was heard in September 2007. In July 2008, the Third Circuit vacated the FCC's order to have the Company pay the forfeiture and remanded the case to the FCC. On November 18, 2008, the FCC filed a petition for certiorari with the United States Supreme Court, seeking review of the Third Circuit's decision. The petition requested that the United States Supreme Court not act on the petition until it ruled in the "fleeting expletives case" mentioned below. On January 8, 2009, the Company filed its opposition to the FCC's petition for certiorari.

In another case involving broadcasts on another network, in June 2007, the United States Court of Appeals for the Second Circuit vacated the FCC's November 2006 finding that the broadcast of fleeting and isolated expletives was indecent and remanded the case to the FCC (the "fleeting expletives case"). On March 17, 2008, the United States Supreme Court granted the FCC's petition to review the United States Court of Appeals for the Second Circuit's decision. On November 4, 2008, the United States Supreme Court heard argument in this case. On April 28, 2009, the United States Supreme Court issued a 5-4 decision reversing the Second Circuit's judgment on administrative grounds in favor of the FCC and remanding the fleeting expletives case to the Second Circuit. The Second Circuit requested additional briefing and argument was heard on January 13, 2010.

Following the April 28, 2009 decision in the fleeting expletives case, on May 4, 2009, the United States Supreme Court remanded the Super Bowl Proceeding to the United States Court of Appeals for the Third Circuit and requested supplemental briefing from the Company and the FCC, in light of the United States Supreme Court's fleeting expletives decision. Argument was heard by the Third Circuit in the Super Bowl Proceeding on February 23, 2010. On April 15, 2010, the Third Circuit requested that the Company and the FCC each submit a supplemental brief on May 18, 2010.

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In March 2006, the FCC also notified the Company and certain affiliates of the CBS Television Network of apparent liability for forfeitures relating to a broadcast of the program *Without a Trace*. The FCC proposed to assess a forfeiture of $32,500 against each of these stations, totaling $260,000 for the Company's owned stations. The Company is contesting the FCC decision and the proposed forfeitures.

Additionally, the Company, from time to time, has received and may receive in the future letters of inquiry from the FCC prompted by complaints alleging that certain programming on the Company's broadcasting stations included indecent material.

Claims Related to Former Businesses: Asbestos, Environmental and Other. The Company is a defendant in lawsuits claiming various personal injuries related to asbestos and other materials, which allegedly occurred principally as a result of exposure caused by various products manufactured by Westinghouse, a predecessor, generally prior to the early 1970s. Westinghouse was neither a producer nor a manufacturer of asbestos. The Company is typically named as one of a large number of defendants in both state and federal cases. In the majority of asbestos lawsuits, the plaintiffs have not identified which of the Company's products is the basis of a claim. Claims against the Company in which a product has been identified principally relate to exposures allegedly caused by asbestos-containing insulating material in turbines sold for power-generation, industrial and marine use, or by asbestos containing grades of decorative micarta, a laminate used in commercial ships.

Claims are frequently filed and/or settled in groups, which may make the amount and timing of settlements, and the number of pending claims, subject to significant fluctuation from period to period. The Company does not report as pending those claims on inactive, stayed, deferred or similar dockets which some jurisdictions have established for claimants who allege minimal or no impairment. As of March 31, 2010, the Company had pending approximately 62,340 asbestos claims, as compared with approximately 62,360 as of December 31, 2009 and 67,540 as of March 31, 2009. During the first quarter of 2010, the Company received approximately 1,020 new claims and closed or moved to an inactive docket approximately 1,040 claims. The Company reports claims as closed when it becomes aware that a dismissal order has been entered by a court or when the Company has reached agreement with the claimants on the material terms of a settlement. Settlement costs depend on the seriousness of the injuries that form the basis of the claim, the quality of evidence supporting the claims and other factors. The Company's total costs for the years 2009 and 2008 for settlement and defense of asbestos claims after insurance recoveries and net of tax benefits were approximately $17.8 million and $15.0 million, respectively. The Company's costs for settlement and defense of asbestos claims may vary year to year as insurance proceeds are not always recovered in the same period as the insured portion of the expenses.

The Company believes that its reserves and insurance are adequate to cover its asbestos liabilities. This belief is based upon many factors and assumptions, including the number of outstanding claims, estimated average cost per claim, the breakdown of claims by disease type, historic claim filings, costs per claim of resolution and the filing of new claims. While the number of asbestos claims filed against the Company has trended down in recent years, it is difficult to predict future asbestos liabilities, as events and circumstances may occur including, among others, the number and types of claims and average cost to resolve such claims, which could affect the Company's estimate of its asbestos liabilities.

The Company from time to time receives claims from federal and state environmental regulatory agencies and other entities asserting that it is or may be liable for environmental cleanup costs and related damages principally relating to historical and predecessor operations of the Company. In addition, the Company from time to time receives personal injury claims including toxic tort and product liability claims (other than asbestos) arising from historical operations of the Company and its predecessors.

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General. On an ongoing basis, the Company defends itself in numerous lawsuits and proceedings and responds to various investigations and inquiries from federal, state and local authorities (collectively, "litigation"). Litigation is inherently uncertain and always difficult to predict. However, based on its understanding and evaluation of the relevant facts and circumstances, the Company believes that the above-described legal matters and other litigation to which it is a party are not likely, in the aggregate, to have a material adverse effect on its results of operations, financial position or cash flows. Under the Separation Agreement between the Company and Viacom Inc., the Company and Viacom Inc. have agreed to defend and indemnify the other in certain litigation in which the Company and/or Viacom Inc. is named.

11) RESTRUCTURING CHARGES

During the three months ended March 31, 2010, in a continued effort to reduce its cost structure, the Company recorded restructuring charges of $57.1 million, reflecting $44.7 million of severance costs associated with the elimination of positions and $12.4 million of contract termination and other associated costs. During the year ended December 31, 2009, the Company recorded restructuring charges of $22.8 million, reflecting $20.8 million of severance costs and $6.7 million of contract termination and other associated costs, partially offset by the reversal of $4.7 million as a result of changes in estimates of previously established restructuring accruals. During the year ended December 31, 2008, the Company recorded restructuring charges of $136.7 million, which reflected $127.5 million of severance costs and $9.2 million of contract termination and other associated costs. As of March 31, 2010, the Company had paid $126.1 million of the severance costs and $6.6 million of the contract termination and other associated costs. The Company expects to substantially utilize the remaining reserves by the end of 2011.

	Balance at December 31, 2009	First Quarter 2010 Charges	First Quarter 2010 Payments	Balance at March 31, 2010
Entertainment	$ 2.2	$ 10.3	$ (3.9)	$ 8.6
Cable Networks	.1	—	(.1)	—
Publishing	2.4	1.5	(1.2)	2.7
Local Broadcasting	28.6	25.2	(5.3)	48.5
Outdoor	6.2	20.1	(2.3)	24.0
Corporate	.3	—	(.2)	.1
Total	$ 39.8	$ 57.1	$ (13.0)	$ 83.9

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12) FAIR VALUE MEASUREMENTS

The following tables set forth the Company's assets and liabilities measured at fair value on a recurring basis at March 31, 2010 and December 31, 2009. These assets and liabilities have been categorized according to the three-level fair value hierarchy established by the FASB, which prioritizes the inputs used in measuring fair value.

At March 31, 2010	Level 1[(a)]	Level 2[(b)]	Level 3[(c)]	Total
Assets:				
Investments	$ 59.6	$ —	$ —	$ 59.6
Foreign currency hedges	—	.7	—	.7
Total Assets	$ 59.6	$ .7	$ —	$ 60.3
Liabilities:				
Deferred compensation	$ —	$ 137.8	$ —	$ 137.8
Foreign currency hedges	—	5.2	—	5.2
Total Liabilities	$ —	$ 143.0	$ —	$ 143.0

At December 31, 2009	Level 1[(a)]	Level 2[(b)]	Level 3[(c)]	Total
Assets:				
Investments	$ 57.2	$ —	$ —	$ 57.2
Total Assets	$ 57.2	$ —	$ —	$ 57.2
Liabilities:				
Deferred compensation	$ —	$ 138.6	$ —	$ 138.6
Foreign currency hedges	—	5.8	—	5.8
Total Liabilities	$ —	$ 144.4	$ —	$ 144.4

(a) Level 1 valuation is based on quoted prices for the asset in active markets.

(b) Level 2 valuation is based on inputs that are observable other than quoted market prices in Level 1, such as quoted prices for the asset or liability in inactive markets or quoted prices for similar assets or liabilities.

(c) Level 3 valuation is based on unobservable inputs reflecting the Company's own assumptions about the assumptions that market participants would use in pricing the asset.

The fair value of investments is determined based on publicly quoted market prices in active markets. The fair value of foreign currency hedges is determined based on the present value of future cash flows using observable inputs including foreign currency exchange rates. The fair value of deferred compensation is determined based on the fair value of the investments elected by employees.

13) FINANCIAL INSTRUMENTS

The Company's carrying value of financial instruments approximates fair value, except for differences with respect to the notes and debentures. At March 31, 2010 and December 31, 2009, the carrying value of the senior debt was $6.89 billion and $6.91 billion, respectively, and the fair value, which is estimated based on quoted market prices and includes accrued interest, was $7.31 billion and $7.25 billion, respectively.

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The Company uses derivative financial instruments to modify its exposure to market risks from changes in foreign currency exchange rates. The Company does not use derivative instruments unless there is an underlying exposure and, therefore, the Company does not hold or enter into derivative financial instruments for speculative trading purposes.

Foreign exchange forward contracts have principally been used to hedge projected cash flows, generally within the next twelve months, in such currencies as the British Pound, the Euro, the Canadian Dollar and the Australian Dollar. The Company designates forward contracts used to hedge projected future television and film production costs as cash flow hedges. Gains or losses on the effective portion of designated cash flow hedges are initially recorded in OCI and reclassified to the statement of operations when the hedged item is recognized. Additionally, the Company enters into non-designated forward contracts to hedge non-U.S. dollar denominated cash flows. The change in fair value of the non-designated contracts is included in "Other items, net" in the Consolidated Statements of Operations.

At March 31, 2010, the notional amount of all foreign currency contracts was $115.5 million, of which $2.1 million related to the hedging of future production costs and $113.4 million represents hedges of expected foreign currency cash flows. At December 31, 2009, the notional amount of all foreign currency contracts was $97.1 million, of which $2.1 million relates to the hedging of future production costs and $95.0 million represents hedges of expected foreign currency cash flows.

The fair value of foreign exchange contracts recorded on the Consolidated Balance Sheets were as follows:

	At March 31, 2010	At December 31, 2009	Balance Sheet Account
Designated hedging instruments	$ (.1)	$ (.1)	Accrued expenses and other current liabilities
Non-designated hedging instruments:			
Assets	$ .7	—	Prepaid expenses and other current assets
Liabilities	$ (5.1)	$ (5.7)	Accrued expenses and other current liabilities

Gains (losses) recognized on foreign exchange contracts were as follows:

	Three Months Ended March 31, 2010	2009	Financial Statement Account
Designated hedging instruments:			
Recognized in OCI	$ (.1)	$ 1.4	Change in fair value of cash flow hedges
Reclassified from accumulated OCI	$ —	$ .1	Programming costs
Non-designated hedging instruments	$ (1.9)	$ 2.6	Other items, net

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14) REPORTABLE SEGMENTS

The following tables set forth the Company's financial performance by reportable segment. The Company's operating segments, which are the same as its reportable segments, have been determined in accordance with the Company's internal management structure, which is organized based upon products and services. In the fourth quarter of 2009, the Company realigned its management structure to more effectively pursue its long-term strategy of investing in content businesses and capitalizing on its strong local presence. As a result, the Company realigned its operating segments. Prior period results have been reclassified to conform to this presentation.

	Three Months Ended March 31,	
	2010	2009
Revenues:		
Entertainment	$ 2,081.5	$ 1,817.6
Cable Networks	368.0	340.6
Publishing	151.7	161.7
Local Broadcasting	605.5	510.4
Outdoor	392.2	379.9
Eliminations	(68.0)	(50.3)
Total Revenues	$ 3,530.9	$ 3,159.9

Revenues generated between segments primarily reflect advertising sales and television license fees. These transactions are recorded at fair market value as if the sales were to third parties and are eliminated in consolidation.

	Three Months Ended March 31,	
	2010	2009
Intercompany Revenues:		
Entertainment	$ 57.1	$ 42.3
Cable Networks	.1	.6
Local Broadcasting	5.4	4.2
Outdoor	5.4	3.2
Total Intercompany Revenues	$ 68.0	$ 50.3

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The Company presents segment operating income (loss) before depreciation and amortization ("Segment OIBDA") as the primary measure of profit and loss for its operating segments in accordance with FASB guidance for segment reporting. The Company believes the presentation of Segment OIBDA is relevant and useful for investors because it allows investors to view segment performance in a manner similar to the primary method used by the Company's management and enhances their ability to understand the Company's operating performance.

	Three Months Ended March 31,	
	2010	2009
Segment OIBDA:		
Entertainment	$ 134.5	$ 151.1
Cable Networks	100.9	83.4
Publishing	2.1	.1
Local Broadcasting	108.8	54.1
Outdoor	12.1	25.1
Corporate	(38.7)	(28.5)
Residual costs	(26.3)	(36.0)
Eliminations	.8	.5
OIBDA	294.2	249.8
Depreciation and amortization	(140.8)	(142.3)
Total Operating Income	153.4	107.5
Interest expense	(138.0)	(133.2)
Interest income	1.1	1.6
Gain on early extinguishment of debt	2.4	.7
Other items, net	(13.1)	(11.9)
Earnings (loss) before income taxes and equity in loss of investee companies	5.8	(35.3)
Provision for income taxes	(21.0)	(8.8)
Equity in loss of investee companies, net of tax	(11.0)	(11.2)
Net Loss	$ (26.2)	$ (55.3)

	Three Months Ended March 31,	
	2010	2009
Operating Income (Loss):		
Entertainment	$ 93.2	$ 107.0
Cable Networks	95.2	77.4
Publishing	.5	(2.1)
Local Broadcasting	84.4	31.9
Outdoor	(50.8)	(38.2)
Corporate	(43.6)	(33.0)
Residual costs	(26.3)	(36.0)
Eliminations	.8	.5
Total Operating Income	$ 153.4	$ 107.5

CBS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009
Depreciation and Amortization:		
Entertainment	$ 41.3	$ 44.1
Cable Networks	5.7	6.0
Publishing	1.6	2.2
Local Broadcasting	24.4	22.2
Outdoor	62.9	63.3
Corporate	4.9	4.5
Total Depreciation and Amortization	$ 140.8	$ 142.3

	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009
Stock-based Compensation:		
Entertainment	$ 11.4	$ 11.3
Cable Networks	1.6	1.6
Publishing	.9	.9
Local Broadcasting	5.8	7.0
Outdoor	1.4	1.6
Corporate	11.5	10.5
Total Stock-based Compensation	$ 32.6	$ 32.9

	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009
Capital Expenditures:		
Entertainment	$ 14.9	$ 19.9
Cable Networks	1.0	1.2
Publishing	.8	.5
Local Broadcasting	10.7	20.7
Outdoor	11.6	25.9
Corporate	1.9	6.0
Total Capital Expenditures	$ 40.9	$ 74.2

	At March 31, 2010	At December 31, 2009
Assets:		
Entertainment	$ 8,466.3	$ 8,935.6
Cable Networks	1,656.6	1,680.0
Publishing	1,004.5	1,142.7
Local Broadcasting	9,681.8	9,646.6
Outdoor	4,445.1	4,452.8
Corporate	1,495.4	1,100.2
Discontinued operations	93.1	92.3
Eliminations	(86.7)	(88.2)
Total Assets	$ 26,756.1	$ 26,962.0

CBS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Tabular dollars in millions, except per share amounts)

15) CONDENSED CONSOLIDATING FINANCIAL STATEMENTS

CBS Operations Inc. is a wholly owned subsidiary of the Company. CBS Operations Inc. has fully and unconditionally guaranteed CBS Corp.'s senior debt securities (See Note 6). The following condensed consolidating financial statements present the results of operations, financial position and cash flows of CBS Corp., CBS Operations Inc., the direct and indirect Non-Guarantor Affiliates of CBS Corp. and CBS Operations Inc., and the eliminations necessary to arrive at the information for the Company on a consolidated basis.

	Statement of Operations For the Three Months Ended March 31, 2010				
	CBS Corp.	CBS Operations Inc.	Non-Guarantor Affiliates	Eliminations	CBS Corp. Consolidated
Revenues	$ 33.1	$ 29.0	$ 3,468.8	$ —	$ 3,530.9
Expenses:					
Operating	16.0	24.9	2,522.6	—	2,563.5
Selling, general and administrative	34.7	43.9	537.5	—	616.1
Restructuring charges	—	—	57.1	—	57.1
Depreciation and amortization	1.2	2.8	136.8	—	140.8
Total expenses	51.9	71.6	3,254.0	—	3,377.5
Operating income (loss)	(18.8)	(42.6)	214.8	—	153.4
Interest (expense) income, net	(147.7)	(81.8)	92.6	—	(136.9)
Gain on early extinguishment of debt	2.4	—	—	—	2.4
Other items, net	(.2)	1.9	(14.8)	—	(13.1)
Earnings (loss) before income taxes and equity in earnings (loss) of investee companies	(164.3)	(122.5)	292.6	—	5.8
Benefit (provision) for income taxes	26.3	46.3	(93.6)	—	(21.0)
Equity in earnings (loss) of investee companies, net of tax	111.8	169.9	(11.0)	(281.7)	(11.0)
Net earnings (loss)	$ (26.2)	$ 93.7	$ 188.0	$ (281.7)	$ (26.2)

CBS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Tabular dollars in millions, except per share amounts)

	Statement of Operations For the Three Months Ended March 31, 2009				
	CBS Corp.	CBS Operations Inc.	Non-Guarantor Affiliates	Eliminations	CBS Corp. Consolidated
Revenues	$ 24.8	$ 26.8	$ 3,108.3	$ —	$ 3,159.9
Expenses:					
Operating	16.8	21.4	2,274.9	—	2,313.1
Selling, general and administrative	43.4	36.7	516.1	—	596.2
Restructuring charges	—	—	.8	—	.8
Depreciation and amortization	1.1	2.5	138.7	—	142.3
Total expenses	61.3	60.6	2,930.5	—	3,052.4
Operating income (loss)	(36.5)	(33.8)	177.8	—	107.5
Interest (expense) income, net	(143.2)	(75.4)	87.0	—	(131.6)
Gain on early extinguishment of debt	.7	—	—	—	.7
Other items, net	5.8	(2.2)	(15.5)	—	(11.9)
Earnings (loss) before income taxes and equity in earnings (loss) of investee companies	(173.2)	(111.4)	249.3	—	(35.3)
Benefit (provision) for income taxes	69.1	37.5	(115.4)	—	(8.8)
Equity in earnings (loss) of investee companies, net of tax	48.8	98.7	(11.2)	(147.5)	(11.2)
Net earnings (loss)	$ (55.3)	$ 24.8	$ 122.7	$ (147.5)	$ (55.3)

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(Tabular dollars in millions, except per share amounts)

	Balance Sheet At March 31, 2010				
	CBS Corp.	CBS Operations Inc.	Non-Guarantor Affiliates	Eliminations	CBS Corp. Consolidated
Assets					
Cash and cash equivalents	$ 550.5	$ .5	$ 321.7	$ —	$ 872.7
Receivables, net	25.4	35.3	3,138.0	—	3,198.7
Programming and other inventory	3.3	5.7	595.8	—	604.8
Prepaid expenses and other current assets	68.5	72.9	899.3	(11.7)	1,029.0
Total current assets	647.7	114.4	4,954.8	(11.7)	5,705.2
Property and equipment	38.6	80.0	4,867.8	—	4,986.4
Less accumulated depreciation and amortization	6.8	36.1	2,157.9	—	2,200.8
Net property and equipment	31.8	43.9	2,709.9	—	2,785.6
Programming and other inventory	7.4	59.1	1,335.7	—	1,402.2
Goodwill	100.3	63.0	8,500.0	—	8,663.3
Intangible assets	255.1	—	6,458.6	—	6,713.7
Investments in consolidated subsidiaries	33,512.6	6,012.4	—	(39,525.0)	—
Other assets	267.6	13.8	1,204.7	—	1,486.1
Total Assets	$ 34,822.5	$ 6,306.6	$ 25,163.7	$ (39,536.7)	$ 26,756.1
Liabilities and Stockholders' Equity					
Accounts payable	$ 1.8	$ 12.4	$ 321.4	$ —	$ 335.6
Participants' share and royalties payable	—	21.5	1,005.4	—	1,026.9
Program rights	4.4	7.1	874.3	—	885.8
Current portion of long-term debt	423.9	—	18.6	—	442.5
Accrued expenses and other	337.0	245.5	1,451.0	(12.0)	2,021.5
Total current liabilities	767.1	286.5	3,670.7	(12.0)	4,712.3
Long-term debt	6,391.4	—	136.9	—	6,528.3
Other liabilities	3,105.4	778.3	2,590.1	(4.4)	6,469.4
Intercompany	10,803.2	(5,082.4)	(10,741.0)	5,020.2	—
Stockholders' Equity:					
Preferred Stock	—	—	128.2	(128.2)	—
Common Stock	.8	122.8	1,135.9	(1,258.7)	.8
Additional paid-in capital	43,456.2	—	61,434.8	(61,434.8)	43,456.2
Retained earnings (deficit)	(25,688.6)	10,532.4	(28,702.7)	13,461.0	(30,397.9)
Accumulated other comprehensive income (loss)	(323.8)	.1	310.7	(310.8)	(323.8)
	17,444.6	10,655.3	34,306.9	(49,671.5)	12,735.3
Less treasury stock, at cost	3,689.2	331.1	4,799.9	(5,131.0)	3,689.2
Total Stockholders' Equity	13,755.4	10,324.2	29,507.0	(44,540.5)	9,046.1
Total Liabilities and Stockholders' Equity	$ 34,822.5	$ 6,306.6	$ 25,163.7	$ (39,536.7)	$ 26,756.1

CBS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Tabular dollars in millions, except per share amounts)

	Balance Sheet At December 31, 2009				
	CBS Corp.	CBS Operations Inc.	Non-Guarantor Affiliates	Eliminations	CBS Corp. Consolidated
Assets					
Cash and cash equivalents	$ 247.5	$ .5	$ 468.7	$ —	$ 716.7
Receivables, net	28.6	32.0	2,839.6	—	2,900.2
Programming and other inventory	3.1	6.1	1,075.8	—	1,085.0
Prepaid expenses and other current assets	50.4	71.7	826.6	(13.7)	935.0
Total current assets	329.6	110.3	5,210.7	(13.7)	5,636.9
Property and equipment	38.5	78.0	4,881.5	—	4,998.0
Less accumulated depreciation and amortization	6.5	33.3	2,099.5	—	2,139.3
Net property and equipment	32.0	44.7	2,782.0	—	2,858.7
Programming and other inventory	5.9	68.3	1,390.0	—	1,464.2
Goodwill	100.3	63.0	8,504.2	—	8,667.5
Intangible assets	255.1	—	6,498.6	—	6,753.7
Investments in consolidated subsidiaries	33,401.0	5,842.5	—	(39,243.5)	—
Other assets	256.9	29.8	1,294.3	—	1,581.0
Total Assets	$ 34,380.8	$ 6,158.6	$ 25,679.8	$ (39,257.2)	$ 26,962.0
Liabilities and Stockholders' Equity					
Accounts payable	$ 2.1	$ 35.4	$ 398.9	$ —	$ 436.4
Participants' share and royalties payable	—	17.6	937.4	—	955.0
Program rights	5.7	8.2	715.3	—	729.2
Current portion of long-term debt	424.6	—	19.0	—	443.6
Accrued expenses and other current liabilities	341.9	280.2	1,574.3	(14.1)	2,182.3
Total current liabilities	774.3	341.4	3,644.9	(14.1)	4,746.5
Long-term debt	6,412.2	—	141.1	—	6,553.3
Other liabilities	3,106.6	804.7	2,734.5	(3.0)	6,642.8
Intercompany	10,359.0	(5,218.0)	(10,187.1)	5,046.1	—
Stockholders' Equity:					
Preferred Stock	—	—	128.2	(128.2)	—
Common Stock	.8	122.8	1,135.9	(1,258.7)	.8
Additional paid-in capital	43,479.2	—	61,434.8	(61,434.8)	43,479.2
Retained earnings (deficit)	(25,662.4)	10,438.7	(28,890.7)	13,742.7	(30,371.7)
Accumulated other comprehensive income (loss)	(395.5)	.1	338.1	(338.2)	(395.5)
	17,422.1	10,561.6	34,146.3	(49,417.2)	12,712.8
Less treasury stock, at cost	3,693.4	331.1	4,799.9	(5,131.0)	3,693.4
Total Stockholders' Equity	13,728.7	10,230.5	29,346.4	(44,286.2)	9,019.4
Total Liabilities and Stockholders' Equity	$ 34,380.8	$ 6,158.6	$ 25,679.8	$ (39,257.2)	$ 26,962.0

CBS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Tabular dollars in millions, except per share amounts)

	Statement of Cash Flows For the Three Months Ended March 31, 2010				
	CBS Corp.	CBS Operations Inc.	Non-Guarantor Affiliates	Eliminations	CBS Corp. Consolidated
Net cash flow (used for) provided by operating activities	$ (138.8)	$ (99.5)	$ 939.0	$ —	$ 700.7
Investing Activities:					
Acquisitions, net of cash acquired	—	—	(1.6)	—	(1.6)
Capital expenditures	—	(1.9)	(39.0)	—	(40.9)
Investments in and advances to investee companies	—	—	(31.2)	—	(31.2)
Proceeds from dispositions	—	—	.2	—	.2
Other investing activities	(.1)	—	—	—	(.1)
Net cash flow used for investing activities	(.1)	(1.9)	(71.6)	—	(73.6)
Financing Activities:					
Repayment of notes	(16.8)	—	(.4)	—	(17.2)
Payment of capital lease obligations	—	—	(4.0)	—	(4.0)
Dividends	(36.6)	—	—	—	(36.6)
Purchase of Company common stock	(24.7)	—	—	—	(24.7)
Proceeds from exercise of stock options	2.2	—	—	—	2.2
Excess tax benefit from stock-based compensation	9.6	—	—	—	9.6
Decrease to accounts receivable securitization program	—	—	(400.0)	—	(400.0)
Other financing activities	(.4)	—	—	—	(.4)
Increase (decrease) in intercompany payables	508.6	101.4	(610.0)	—	—
Net cash flow provided by (used for) financing activities	441.9	101.4	(1,014.4)	—	(471.1)
Net increase (decrease) in cash and cash equivalents	303.0	—	(147.0)	—	156.0
Cash and cash equivalents at beginning of period	247.5	.5	468.7	—	716.7
Cash and cash equivalents at end of period	$ 550.5	$ .5	$ 321.7	$ —	$ 872.7

CBS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Tabular dollars in millions, except per share amounts)

	Statement of Cash Flows For the Three Months Ended March 31, 2009				
	CBS Corp.	CBS Operations Inc.	Non-Guarantor Affiliates	Eliminations	CBS Corp. Consolidated
Net cash flow (used for) provided by operating activities	$ (193.7)	$ (71.4)	$ 243.6	$ —	$ (21.5)
Investing Activities:					
Acquisitions, net of cash acquired	—	—	(6.7)	—	(6.7)
Capital expenditures	—	(6.0)	(68.2)	—	(74.2)
Investments in and advances to investee companies	—	—	(12.5)	—	(12.5)
Purchases of marketable securities	—	(35.6)	—	—	(35.6)
Proceeds from dispositions	—	—	21.6	—	21.6
Other investing activities	(.3)	—	—	—	(.3)
Net cash flow used for investing activities	(.3)	(41.6)	(65.8)	—	(107.7)
Financing Activities:					
Borrowings from (repayments to) banks, including commercial paper, net	296.0	—	(2.9)	—	293.1
Repayment of notes	(151.9)	—	—	—	(151.9)
Payment of capital lease obligations	—	—	(3.9)	—	(3.9)
Dividends	(184.4)	—	—	—	(184.4)
Purchase of Company common stock	(4.0)	—	—	—	(4.0)
Excess tax benefit from stock-based compensation	.4	—	—	—	.4
Increase (decrease) in intercompany payables	131.6	112.8	(244.4)	—	—
Net cash flow provided by (used for) financing activities	87.7	112.8	(251.2)	—	(50.7)
Net decrease in cash and cash equivalents	(106.3)	(.2)	(73.4)	—	(179.9)
Cash and cash equivalents at beginning of period	108.6	.8	310.1	—	419.5
Cash and cash equivalents at end of period	$ 2.3	$ .6	$ 236.7	$ —	$ 239.6

Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition.
(Tabular dollars in millions, except per share amounts)

Management's discussion and analysis of the results of operations and financial condition should be read in conjunction with the consolidated financial statements and related notes in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2009.

Overview

For the first quarter of 2010, CBS Corporation reported revenues of $3.53 billion, up 12% from $3.16 billion for the first quarter of 2009 principally reflecting 17% higher advertising sales. Revenue growth was led by increases of 19% at Local Broadcasting, 15% at Entertainment, including the 2010 telecast of *Super Bowl XLIV* on the CBS Television Network, and 8% at Cable Networks.

Operating income for the first quarter of 2010 of $153.4 million increased 43% from $107.5 million for the first quarter of 2009 reflecting growth in revenues, partially offset by higher sports programming costs associated with the 2010 Super Bowl telecast and increased investment in programming and content. As part of a continuing effort to reduce costs, the Company recorded restructuring charges of $57.1 million during the first quarter of 2010 principally associated with the elimination of positions and contract terminations.

Free cash flow for the first quarter of 2010 increased $455.5 million to $659.8 million from $204.3 million for the same prior-year period principally reflecting higher advertising sales and lower payments for interest, taxes and capital expenditures. The Company generated cash flow from operating activities of $700.7 million for the three months ended March 31, 2010, up $722.2 million versus a use of cash of $21.5 million for the comparable prior-year period, as 2009 included a $300.0 million reduction to the amounts outstanding under the Company's accounts receivable securitization program. Free cash flow, a non-GAAP financial measure, reflects the Company's net cash flow provided by (used for) operating activities before increases and decreases to the accounts receivable securitization program and less capital expenditures. See "Reconciliation of Non-GAAP Financial Information" on pages 33 – 34 for a reconciliation of net cash flow provided by (used for) operating activities, the most directly comparable financial measure in accordance with accounting principles generally accepted in the United States of America ("GAAP"), to free cash flow.

Consolidated Results of Operations

Three Months Ended March 31, 2010 versus Three Months Ended March 31, 2009

Revenues

The following table presents the Company's consolidated revenues by type for the three months ended March 31, 2010 and 2009.

	Three Months Ended March 31,					
Revenues by Type	**2010**	**Percentage of Total**	**2009**	**Percentage of Total**	**Increase/(Decrease) $**	**%**
Advertising	$ 2,381.4	67%	$ 2,028.4	64%	$ 353.0	17%
Content licensing and distribution	713.6	20	730.4	23	(16.8)	(2)
Affiliate and subscription fees	382.6	11	343.3	11	39.3	11
Other	53.3	2	57.8	2	(4.5)	(8)
Total Revenues	$ 3,530.9	100%	$ 3,159.9	100%	$ 371.0	12%

Management's Discussion and Analysis of Results of Operations and Financial Condition (Continued) (Tabular dollars in millions, except per share amounts)

Advertising sales increased $353.0 million, or 17%, to $2.38 billion for the three months ended March 31, 2010 driven by an improved national and local advertising marketplace, and the 2010 telecast of *Super Bowl XLIV* on the CBS Television Network.

Content licensing and distribution revenues decreased $16.8 million, or 2%, to $713.6 million for the three months ended March 31, 2010 principally reflecting lower home entertainment revenues and lower publishing revenues as a result of the continued soft retail market. Television license fees for the three months ended March 31, 2010 remained relatively flat as higher international syndication revenues and network license fees for new series were primarily offset by lower domestic syndication sales.

Affiliate and subscription fees increased $39.3 million, or 11%, to $382.6 million for the three months ended March 31, 2010 due to growth in subscriptions and rate increases at Showtime Networks and CBS College Sports Network, and higher retransmission revenues.

International Revenues

The Company generated approximately 16% of its total revenues from international regions for the three months ended March 31, 2010 and 15% for the three months ended March 31, 2009.

Operating Expenses

The following table presents the Company's consolidated operating expenses by type for the three months ended March 31, 2010 and 2009.

	Three Months Ended March 31,					
Operating Expenses by Type	**2010**	**Percentage of Total**	**2009**	**Percentage of Total**	**Increase/(Decrease) $**	**%**
Programming	$ 1,230.1	48%	$ 1,085.8	47%	$ 144.3	13%
Production	655.9	26	588.0	25	67.9	12
Outdoor operations	275.3	11	271.5	12	3.8	1
Publishing operations	107.6	4	118.6	5	(11.0)	(9)
Other	294.6	11	249.2	11	45.4	18
Total Operating Expenses	$ 2,563.5	100%	$ 2,313.1	100%	$ 250.4	11%

Programming expenses for the three months ended March 31, 2010 increased $144.3 million, or 13%, to $1.23 billion reflecting higher sports programming costs, principally associated with the 2010 telecast of *Super Bowl XLIV,* partially offset by lower series costs resulting from an increase in the number of internally produced series.

Production expenses for the three months ended March 31, 2010 increased $67.9 million, or 12%, to $655.9 million primarily due to higher investment in new series.

Outdoor operations expenses for the three months ended March 31, 2010 increased $3.8 million, or 1%, to $275.3 million primarily reflecting the impact of foreign exchange rate changes, partially offset by lower transit and billboard lease and maintenance costs principally due to cost-savings initiatives.

Publishing operations expenses for the three months ended March 31, 2010 decreased $11.0 million, or 9%, to $107.6 million principally due to lower production expenses driven by the decrease in revenues and the impact of cost reduction measures.

(Tabular dollars in millions, except per share amounts)

Other operating expenses for the three months ended March 31, 2010 increased $45.4 million, or 18%, to $294.6 million primarily reflecting higher advertising for theatrical films.

Selling, General and Administrative Expenses

Selling, general and administrative ("SG&A") expenses, which include expenses incurred for selling and marketing costs, occupancy and back office support, increased $19.9 million, or 3%, to $616.1 million for the three months ended March 31, 2010 primarily due to higher incentive compensation accruals and higher advertising expense partially offset by lower pension and postretirement benefits costs. Pension and postretirement benefits costs decreased $12.9 million to $44.1 million for the three months ended March 31, 2010 from $57.0 million for the same prior-year period principally due to pension plan asset performance in 2009. SG&A expenses as a percentage of revenues were 17% and 19% for the three months ended March 31, 2010 and 2009, respectively.

Restructuring Charges

During the three months ended March 31, 2010, in a continued effort to reduce its cost structure, the Company recorded restructuring charges of $57.1 million, reflecting $44.7 million of severance costs associated with the elimination of positions and $12.4 million of contract termination and other associated costs. During the year ended December 31, 2009, the Company recorded restructuring charges of $22.8 million, reflecting $20.8 million of severance costs and $6.7 million of contract termination and other associated costs, partially offset by the reversal of $4.7 million as a result of changes in estimates of previously established restructuring accruals. During the year ended December 31, 2008, the Company recorded restructuring charges of $136.7 million, which reflected $127.5 million of severance costs and $9.2 million of contract termination and other associated costs. As of March 31, 2010, the Company had paid $126.1 million of the severance costs and $6.6 million of the contract termination and other associated costs. The Company expects to substantially utilize the remaining reserves by the end of 2011.

	Balance at December 31, 2009	First Quarter 2010 Charges	First Quarter 2010 Payments	Balance at March 31, 2010
Entertainment	$ 2.2	$ 10.3	$ (3.9)	$ 8.6
Cable Networks	.1	—	(.1)	—
Publishing	2.4	1.5	(1.2)	2.7
Local Broadcasting	28.6	25.2	(5.3)	48.5
Outdoor	6.2	20.1	(2.3)	24.0
Corporate	.3	—	(.2)	.1
Total	$ 39.8	$ 57.1	$ (13.0)	$ 83.9

Depreciation and Amortization

For the three months ended March 31, 2010, depreciation and amortization decreased 1% to $140.8 million.

Interest Expense

For the three months ended March 31, 2010, interest expense increased $4.8 million to $138.0 million from $133.2 million for the same prior-year period principally reflecting a higher interest rate on new

Management's Discussion and Analysis of Results of Operations and Financial Condition (Continued) (Tabular dollars in millions, except per share amounts)

debt issuances in 2009. The Company had $6.97 billion and $7.13 billion of principal amounts of debt outstanding (including current maturities) at March 31, 2010 and 2009, respectively, at weighted average interest rates of 7.2% and 6.8%, respectively.

Interest Income

For the three months ended March 31, 2010, interest income decreased $.5 million to $1.1 million from $1.6 million for the same prior-year period.

Gain on Early Extinguishment of Debt

For the three months ended March 31, 2010, gain on early extinguishment of debt of $2.4 million reflected the pre-tax gain recognized upon the repurchase of $19.5 million of the Company's 5.50% senior debentures due 2033.

For the three months ended March 31, 2009, gain on early extinguishment of debt of $.7 million reflected the pre-tax gain recognized upon the repurchase of $152.8 million of the Company's 7.70% senior notes due 2010.

Other Items, Net

For the three months ended March 31, 2010, "Other items, net" reflected a net loss of $13.1 million primarily consisting of foreign exchange losses of $11.9 million and a non-cash charge of $1.2 million associated with other-than-temporary declines in the market value of the Company's investments.

For the three months ended March 31, 2009, "Other items, net" reflected a net loss of $11.9 million principally consisting of foreign exchange losses.

Provision for Income Taxes

The provision for income taxes was $21.0 million and $8.8 million for the three months ended March 31, 2010 and 2009, respectively. The provision for income taxes for the three months ended March 31, 2010 included three discrete items which impacted comparability totaling $25.9 million, comprised of a $62.2 million reduction of deferred tax assets associated with the recently enacted Patient Protection and Affordable Care Act, partially offset by a $26.4 million reversal of previously established deferred tax liabilities and a $9.9 million tax benefit from the settlements of state and local income tax audits. The provision for income taxes for the three months ended March 31, 2009 included a charge of $18.8 million for the reduction of deferred tax assets associated with stock-based compensation. This reduction reflects the difference between the estimated tax benefit recognized based on the grant date fair value of the stock-based compensation award versus the actual tax benefit realized based on the market value on the date of vest.

Equity in Loss of Investee Companies, Net of Tax

For the three months ended March 31, 2010, equity in loss of investee companies, net of tax, decreased $.2 million to a loss of $11.0 million, reflecting the Company's share of the operating results of its equity investments.

Management's Discussion and Analysis of Results of Operations and Financial Condition (Continued) (Tabular dollars in millions, except per share amounts)

Net Loss

The Company reported a net loss of $26.2 million for the three months ended March 31, 2010 versus a net loss of $55.3 million for the three months ended March 31, 2009. Comparability for the first quarter was impacted by 2010 restructuring charges of $57.1 million ($34.6 million, net of tax) and discrete tax items of $25.9 million, and a 2009 charge to income tax expense of $18.8 million for the reduction of deferred tax assets associated with stock-based compensation.

Reconciliation of Non-GAAP Financial Information

Free cash flow is a non-GAAP financial measure. Free cash flow reflects the Company's net cash flow provided by (used for) operating activities before increases and decreases to the accounts receivable securitization program and less capital expenditures. The Company's net cash flow provided by (used for) operating activities is the most directly comparable GAAP financial measure.

The Company's calculation of free cash flow for 2009 does not include increases and decreases to the accounts receivable securitization program because the Company does not consider the cash flow from this program to be indicative of the cash generated by the underlying operating performance of the Company. Accordingly, the Company considers its decision to increase or decrease its accounts receivable securitization program a financing decision. In 2010, as a result of the adoption of amended Financial Accounting Standards Board ("FASB") guidance on accounting for transfers of financial assets, increases and decreases to the accounts receivable securitization program are reflected as cash flows from financing activities. Under the previous guidance these changes were reflected as cash flows from operating activities. See Note 6 to the consolidated financial statements. Also, the Company's calculation of free cash flow includes capital expenditures since investment in capital expenditures is a use of cash that is directly related to the Company's operations.

Management believes free cash flow provides investors with an important perspective on the cash available to the Company to service debt, make strategic acquisitions and investments, maintain its capital assets, satisfy its tax obligations and fund ongoing operations and working capital needs. As a result, free cash flow is a significant measure of the Company's ability to generate long-term value. It is useful for investors to know whether this ability is being enhanced or degraded as a result of the Company's operating performance. The Company believes the presentation of free cash flow is relevant and useful for investors because it allows investors to evaluate the cash generated from the Company's underlying operations in a manner similar to the method used by management. Free cash flow is one of several components of incentive compensation targets for certain management personnel. In addition, free cash flow is also a primary measure used externally by the Company's investors, analysts and peers in its industry for purposes of valuation and comparing the operating performance of the Company to other companies in its industry.

As free cash flow is not a measure calculated in accordance with GAAP, free cash flow should not be considered in isolation of, or as a substitute for, either net cash flow provided by (used for) operating activities as a measure of liquidity or net earnings (loss) as a measure of operating performance. Free cash flow, as the Company calculates it, may not be comparable to similarly titled measures employed by other companies. In addition, free cash flow as a measure of liquidity has certain limitations, and does not necessarily represent funds available for discretionary use and is not necessarily a measure of the Company's ability to fund its cash needs. When comparing free cash flow to net cash flow provided by (used for) operating activities, the most directly comparable GAAP financial measure, users of this financial information should consider the types of events and transactions which are not reflected in free cash flow.

(Tabular dollars in millions, except per share amounts)

The following table presents a reconciliation of the Company's net cash flow provided by (used for) operating activities, the most directly comparable GAAP financial measure, to free cash flow.

	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009
Net cash flow provided by (used for) operating activities	$ 700.7	$ (21.5)
Exclude: Decrease to accounts receivable securitization program	—	300.0
Capital expenditures	(40.9)	(74.2)
Free cash flow	$ 659.8	$ 204.3

Segment Results of Operations

During 2009, the Company realigned its management structure to more effectively pursue its long-term strategy of investing in content businesses and capitalizing on its strong local presence. As a result, the Company realigned its operating segments. Prior period results have been reclassified to conform to this presentation.

The following tables present the Company's revenues, segment operating income (loss) before depreciation and amortization ("Segment OIBDA"), operating income (loss), and depreciation and amortization by segment, for the three months ended March 31, 2010 and 2009. The Company presents Segment OIBDA as the primary measure of profit and loss for its operating segments in accordance with FASB guidance for segment reporting. The Company believes the presentation of Segment OIBDA is relevant and useful for investors because it allows investors to view segment performance in a manner similar to the primary method used by the Company's management and enhances their ability to understand the Company's operating performance. The reconciliation of Segment OIBDA to the Company's consolidated Net loss is presented in Note 14 (Reportable Segments) to the consolidated financial statements.

	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009
Revenues:		
Entertainment	$ 2,081.5	$ 1,817.6
Cable Networks	368.0	340.6
Publishing	151.7	161.7
Local Broadcasting	605.5	510.4
Outdoor	392.2	379.9
Eliminations	(68.0)	(50.3)
Total Revenues	$ 3,530.9	$ 3,159.9

Management's Discussion and Analysis of
Results of Operations and Financial Condition (Continued)
(Tabular dollars in millions, except per share amounts)

	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009
Segment OIBDA:		
Entertainment	$ 134.5	$ 151.1
Cable Networks	100.9	83.4
Publishing	2.1	.1
Local Broadcasting	108.8	54.1
Outdoor	12.1	25.1
Corporate	(38.7)	(28.5)
Residual costs	(26.3)	(36.0)
Eliminations	.8	.5
OIBDA	294.2	249.8
Depreciation and amortization	(140.8)	(142.3)
Total Operating Income	$ 153.4	$ 107.5
Operating Income (Loss):		
Entertainment	$ 93.2	$ 107.0
Cable Networks	95.2	77.4
Publishing	.5	(2.1)
Local Broadcasting	84.4	31.9
Outdoor	(50.8)	(38.2)
Corporate	(43.6)	(33.0)
Residual costs	(26.3)	(36.0)
Eliminations	.8	.5
Total Operating Income	$ 153.4	$ 107.5
Depreciation and Amortization:		
Entertainment	$ 41.3	$ 44.1
Cable Networks	5.7	6.0
Publishing	1.6	2.2
Local Broadcasting	24.4	22.2
Outdoor	62.9	63.3
Corporate	4.9	4.5
Total Depreciation and Amortization	$ 140.8	$ 142.3

Management's Discussion and Analysis of
Results of Operations and Financial Condition (Continued)
(Tabular dollars in millions, except per share amounts)

Entertainment *(CBS Television Network, CBS Television Studios, CBS Studios International, CBS Television Distribution, CBS Films and CBS Interactive)*

(Contributed 59% to consolidated revenues for the three months ended March 31, 2010 versus 58% for the comparable prior-year period.)

	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009
Revenues	$ 2,081.5	$ 1,817.6
OIBDA	$ 134.5	$ 151.1
Depreciation and amortization	(41.3)	(44.1)
Operating income	$ 93.2	$ 107.0
OIBDA as a % of revenues	6%	8%
Operating income as a % of revenues	4%	6%
Restructuring charges	$ 10.3	$ —
Capital expenditures	$ 14.9	$ 19.9

For the three months ended March 31, 2010, Entertainment revenues increased 15% to $2.08 billion from $1.82 billion for the same prior-year period principally reflecting 25% higher Network advertising revenues, driven by the 2010 telecast of *Super Bowl XLIV* on the CBS Television Network and the strong advertising scatter market, and 19% growth in CBS Interactive display advertising revenues from an improved advertising marketplace. Television license fees for the first quarter of 2010 were relatively flat compared to the same prior-year period as higher international syndication revenues and network license fees for new series were offset by lower domestic syndication sales.

For the three months ended March 31, 2010, Entertainment operating income decreased $13.8 million, or 13%, to $93.2 million and OIBDA decreased $16.6 million, or 11%, to $134.5 million as the increase in revenues was more than offset by higher sports programming costs, principally attributable to *Super Bowl XLIV*, increased investment in programming and content, and restructuring charges of $10.3 million incurred during the first quarter of 2010. The restructuring charges primarily reflect severance costs associated with the elimination of positions.

Management's Discussion and Analysis of
Results of Operations and Financial Condition (Continued)
(Tabular dollars in millions, except per share amounts)

Cable Networks *(Showtime Networks, Smithsonian Networks and CBS College Sports Network)*

(Contributed 10% to consolidated revenues for the three months ended March 31, 2010 versus 11% for the comparable prior-year period.)

	Three Months Ended March 31,	
	2010	2009
Revenues	$ 368.0	$ 340.6
OIBDA	$ 100.9	$ 83.4
Depreciation and amortization	(5.7)	(6.0)
Operating income	$ 95.2	$ 77.4
OIBDA as a % of revenues	27%	24%
Operating income as a % of revenues	26%	23%
Restructuring charges	$ —	$ —
Capital expenditures	$ 1.0	$ 1.2

For the three months ended March 31, 2010, Cable Networks revenues increased 8% to $368.0 million from $340.6 million for the same prior-year period due to rate increases and growth in subscriptions at Showtime Networks and CBS College Sports Network. At March 31, 2010, Showtime Networks, including *Showtime*, *The Movie Channel*, and *Flix*, in the aggregate, had 62.7 million subscriptions, up by 2.0 million, or 3%, from March 31, 2009, reflecting increased direct broadcast satellite and telephone company ("Telco") subscriptions partially offset by a decline in cable subscriptions. At March 31, 2010, Smithsonian Networks had 5.1 million subscriptions, up by 2.4 million from March 31, 2009 reflecting cable affiliate launches and Telco subscriber growth. At March 31, 2010, CBS College Sports Network subscriptions of 35.7 million were up by 6.5 million, or 22%, from March 31, 2009, reflecting increased carriage across all platforms.

For the three months ended March 31, 2010, Cable Networks operating income increased $17.8 million, or 23%, to $95.2 million and OIBDA increased $17.5 million, or 21%, to $100.9 million from the same prior-year period, primarily due to revenue growth partially offset by higher advertising costs associated with the timing of series premieres.

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Publishing (*Simon & Schuster*)

(Contributed 4% to consolidated revenues for the three months ended March 31, 2010 versus 5% for the comparable prior-year period.)

	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009
Revenues	$ 151.7	$ 161.7
OIBDA	$ 2.1	$ .1
Depreciation and amortization	(1.6)	(2.2)
Operating income (loss)	$ .5	$ (2.1)
OIBDA as a % of revenues	1%	—%
Operating income as a % of revenues	—%	NM
Restructuring charges	$ 1.5	$ —
Capital expenditures	$ .8	$ .5

NM – Not meaningful

For the three months ended March 31, 2010, Publishing revenues decreased 6% to $151.7 million from $161.7 million for the same prior-year period reflecting the continued soft retail market, partially offset by growth of $8.4 million from digital sales of Publishing content. Best-selling titles in the first quarter of 2010 included *Courage and Consequence* by Karl Rove, *House Rules* by Jodi Picoult and *Little Bee* by Chris Cleave.

For the three months ended March 31, 2010, Publishing operating income increased $2.6 million to $.5 million from an operating loss of $2.1 million for the same prior-year period and Publishing OIBDA increased $2.0 million to $2.1 million for the three months ended March 31, 2010 from $.1 million for the same prior-year period as the decline in revenues and restructuring charges of $1.5 million incurred during the first quarter of 2010 were more than offset by cost reduction measures. The restructuring charges reflect severance costs associated with the elimination of positions.

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Local Broadcasting (*CBS Television Stations and CBS Radio*)

(Contributed 17% to consolidated revenues for the three months ended March 31, 2010 versus 16% for the comparable prior-year period.)

	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009
Revenues	$ 605.5	$ 510.4
OIBDA	$ 108.8	$ 54.1
Depreciation and amortization	(24.4)	(22.2)
Operating income	$ 84.4	$ 31.9
OIBDA as a % of revenues	18%	11%
Operating income as a % of revenues	14%	6%
Restructuring charges	$ 25.2	$ —
Capital expenditures	$ 10.7	$ 20.7

For the three months ended March 31, 2010, Local Broadcasting revenues increased 19% to $605.5 million from $510.4 million for the same prior-year period. Revenues for CBS Television Stations increased 29% to $323.7 million from $250.9 million for the same prior-year period as a result of the improved advertising marketplace, the benefit of the 2010 telecast of *Super Bowl XLIV* to the Company's owned CBS affiliated stations and higher political advertising sales. CBS Radio revenues increased 9% to $282.7 million from $259.7 million for the same prior-year period and revenues from the ten largest radio markets increased 15%, reflecting the improved advertising marketplace.

For the three months ended March 31, 2010, Local Broadcasting operating income increased $52.5 million to $84.4 million and OIBDA increased $54.7 million to $108.8 million from the same prior-year period reflecting improved OIBDA and operating income margins for the first quarter of 2010, the result of both the revenue growth and a lower fixed cost structure due to recent expense reduction measures. First quarter 2010 results included restructuring charges of $25.2 million consisting of severance costs associated with the elimination of positions and contract terminations and other associated costs.

Dispositions

On March 6, 2009, the Company completed the sale of three of its owned radio stations in Denver to Wilks Broadcasting for $19.5 million.

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Outdoor *(CBS Outdoor)*

(Contributed 11% to consolidated revenues for the three months ended March 31, 2010 versus 12% for the comparable prior-year period.)

	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009
Revenues	$ 392.2	$ 379.9
OIBDA	$ 12.1	$ 25.1
Depreciation and amortization	(62.9)	(63.3)
Operating loss	$ (50.8)	$ (38.2)
OIBDA as a % of revenues	3%	7%
Restructuring charges	$ 20.1	$ .8
Capital expenditures	$ 11.6	$ 25.9

For the three months ended March 31, 2010, Outdoor revenues increased 3% to $392.2 million from $379.9 million for the same prior-year period benefiting from the favorable impact of foreign exchange rate changes. In constant dollars, Outdoor revenues decreased 1% for the three months ended March 31, 2010. Revenues for the Americas (which is comprised of North America and South America) increased 1% to $248.8 million and revenues for Europe increased 7% to $143.4 million. In constant dollars, revenues for the Americas decreased 2% and revenues for Europe increased 1%. The favorable impact of foreign exchange rate changes on total Outdoor revenues was approximately $15 million for the three months ended March 31, 2010. Approximately 47% and 45% of Outdoor revenues were generated from regions outside the United States for the three months ended March 31, 2010 and 2009, respectively.

For the three months ended March 31, 2010, Outdoor reported an operating loss of $50.8 million versus an operating loss of $38.2 million for the same prior-year period. Outdoor OIBDA decreased $13.0 million, or 52%, to $12.1 million for the three months ended March 31, 2010 from $25.1 million for the same prior-year period. These decreases were driven by higher restructuring charges for the three months ended March 31, 2010 partially offset by lower transit and billboard lease and maintenance costs principally due to cost-savings initiatives. Restructuring charges of $20.1 million recorded in the first quarter of 2010 primarily reflect severance costs associated with the elimination of positions. Outdoor's franchise and lease costs are generally fixed in nature and, due to the soft advertising marketplace worldwide, certain transit contracts, including the London Underground contract which also has reduced revenues due to project delays, are operating at their minimum guarantee levels therefore adversely impacting OIBDA and operating income margins.

Corporate

For the three months ended March 31, 2010, corporate expenses increased 32% to $43.6 million from $33.0 million for the same prior-year period, primarily reflecting higher incentive compensation accruals.

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Residual Costs

Residual costs primarily include pension and postretirement benefits costs for benefit plans retained by the Company for previously divested businesses. For the three months ended March 31, 2010, residual costs decreased 27% to $26.3 million from $36.0 million for the same prior-year period, primarily due to pension plan asset performance in 2009.

Financial Position

Current assets increased by $68.3 million to $5.71 billion at March 31, 2010 from $5.64 billion at December 31, 2009, primarily due to an increase in receivables and cash and cash equivalents, partially offset by a decrease in programming and other inventory. The increase in receivables of $298.5 million was principally due to a $400.0 million increase resulting from the adoption of new FASB guidance on January 1, 2010, which requires the Company's securitized accounts receivables to remain on the Consolidated Balance Sheet, partially offset by lower Publishing receivables reflecting the seasonality of its business. The decrease in programming and other inventory of $480.2 million reflected the expensing of prepaid sports programming rights. The allowance for doubtful accounts as a percentage of receivables was 4.1% at March 31, 2010 compared with 4.7% at December 31, 2009.

Net property and equipment of $2.79 billion at March 31, 2010 decreased $73.1 million from $2.86 billion at December 31, 2009, primarily reflecting depreciation expense of $107.6 million and foreign currency translation adjustments, partially offset by capital expenditures of $40.9 million.

Intangible assets, principally consisting of FCC licenses, leasehold agreements and franchise agreements, decreased by $40.0 million to $6.71 billion at March 31, 2010 from $6.75 billion at December 31, 2009, primarily due to amortization expense of $33.2 million and divestitures of $9.0 million.

Current liabilities decreased by $34.2 million to $4.71 billion at March 31, 2010 from $4.75 billion at December 31, 2009, primarily reflecting decreases in accounts payable and accrued compensation due to the timing of payments, partially offset by an increase in program rights obligations.

Other liabilities decreased by $150.0 million to $3.49 billion at March 31, 2010 from $3.64 billion at December 31, 2009, primarily reflecting lower program rights obligations.

Cash Flows

Cash and cash equivalents increased by $156.0 million for the three months ended March 31, 2010 and decreased by $179.9 million for the three months ended March 31, 2009. The changes in cash and cash equivalents were as follows:

	Three Months Ended March 31,	
	2010	2009
Cash provided by (used for) operating activities	$ 700.7	$ (21.5)
Cash used for investing activities	(73.6)	(107.7)
Cash used for financing activities	(471.1)	(50.7)
Net increase (decrease) in cash and cash equivalents	$ 156.0	$ (179.9)

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Operating Activities. For the three months ended March 31, 2010, cash provided by operating activities increased $722.2 million to $700.7 million versus cash used for operating activities of $21.5 million for the same prior-year period primarily reflecting higher advertising revenues, lower payments for interest and taxes and a $300.0 million reduction to amounts outstanding under the Company's accounts receivable securitization program for the first quarter of 2009. On January 1, 2010, the Company adopted amended FASB guidance on the accounting for transfers of financial assets and as a result, decreases to the accounts receivable securitization program during the first quarter of 2010 are reflected as cash flows from financing activities.

Cash paid for income taxes for the three months ended March 31, 2010 was $17.9 million versus $47.4 million for the three months ended March 31, 2009 reflecting the timing of payments.

Investing Activities. Cash used for investing activities of $73.6 million for the three months ended March 31, 2010 principally reflected capital expenditures of $40.9 million and investments in investee companies of $31.2 million. Cash used for investing activities of $107.7 million for the three months ended March 31, 2009 principally reflected capital expenditures of $74.2 million, purchases of marketable securities of $35.6 million and investments in investee companies of $12.5 million, partially offset by proceeds from dispositions of $21.6 million, primarily from the sale of radio stations.

Financing Activities. Cash used for financing activities of $471.1 million for the three months ended March 31, 2010 principally reflected a $400.0 million reduction to amounts outstanding under the accounts receivable securitization program, dividend payments of $36.6 million, the purchase of Company common stock for $24.7 million and the repayment of notes of $17.2 million. Cash used for financing activities of $50.7 million for the three months ended March 31, 2009 principally reflected dividend payments of $184.4 million and the repayment of notes of $151.9 million, partially offset by borrowings from banks of $293.1 million.

Cash Dividends

On February 23, 2010, the Company announced a quarterly cash dividend of $.05 per share on its Class A and Class B Common Stock payable on April 1, 2010. The total dividend was $34.6 million of which $33.9 million was paid on April 1, 2010 and $.7 million was accrued to be paid upon vesting of RSUs. During the first quarter of 2010, the Company paid $36.6 million for the dividend declared on November 16, 2009 and for dividend payments on RSUs that vested during the first quarter of 2010.

(Tabular dollars in millions, except per share amounts)

Capital Structure

The following table sets forth the Company's debt.

	At March 31, 2010	At December 31, 2009
Senior debt (4.625% – 8.875% due 2010 – 2056)[a]	$ 6,888.0	$ 6,909.5
Other notes	2.1	2.7
Obligations under capital leases	101.2	105.2
Total debt	6,991.3	7,017.4
Less discontinued operations debt[b]	20.5	20.5
Total debt from continuing operations	6,970.8	6,996.9
Less current portion	442.5	443.6
Total long-term debt from continuing operations, net of current portion	$ 6,528.3	$ 6,553.3

(a) At March 31, 2010 and December 31, 2009, the senior debt balances included (i) a net unamortized premium of $2.3 million and $2.2 million, respectively, and (ii) an increase in the carrying value of the debt relating to previously settled fair value hedges of $90.4 million and $92.4 million, respectively. The face value of the Company's senior debt was $6.80 billion at March 31, 2010 and $6.81 billion at December 31, 2009.

(b) Included in "Liabilities of discontinued operations" on the Consolidated Balance Sheets.

The senior debt of CBS Corp. is fully and unconditionally guaranteed by its wholly owned subsidiary, CBS Operations Inc. Senior debt in the amount of $52.2 million of the Company's wholly owned subsidiary, CBS Broadcasting Inc., is not guaranteed.

During the first quarter of 2010, the Company repurchased $19.5 million of its 5.50% senior debentures due 2033 resulting in a pre-tax gain on early extinguishment of debt of $2.4 million.

In March 2010, the Company called for the redemption of $414.6 million of its 7.70% senior notes due July 30, 2010, which settled on April 30, 2010. In April 2010, the Company issued $500.0 million of 5.75% senior notes due 2020 and used the net proceeds from this offering and cash on hand to repurchase, through a tender offer in April 2010, $400.0 million of its 6.625% senior notes due 2011, $42.6 million of its 8.625% debentures due 2012 and $57.4 million of its 5.625% senior notes due 2012. These transactions will result in a pre-tax loss on early extinguishment of debt of $38.6 million in the second quarter of 2010.

During the first quarter of 2009, the Company repurchased $152.8 million of its 7.70% senior notes due 2010 resulting in a pre-tax gain on early extinguishment of debt of $.7 million.

Credit Facility

At March 31, 2010, the Company had a $2.0 billion revolving credit facility which expires in December 2012 (the "Credit Facility"). The Credit Facility requires the Company to maintain a maximum Consolidated Leverage Ratio of 4.5x at the end of the fiscal quarter, subject to reductions, and a minimum Consolidated Coverage Ratio, of 3.0x for the trailing four quarters, each as further described in the Credit Facility. At March 31, 2010, the Company's Consolidated Leverage Ratio was approximately 3.4x and Consolidated Coverage Ratio was approximately 4.1x.

The primary purpose of the Credit Facility is to support commercial paper borrowings. At March 31, 2010, the Company had no commercial paper borrowings under its $2.0 billion commercial paper program. At March 31, 2010, the remaining availability under the Credit Facility, net of outstanding letters of credit, was $1.82 billion.

Accounts Receivable Securitization Program

The Company participated in a revolving accounts receivable securitization program which provided for the sale of receivables on a non-recourse basis to unrelated third parties on a one-year renewable basis. During the first quarter of 2010, the Company reduced the amounts outstanding under its revolving accounts receivable securitization program from $400.0 million at December 31, 2009 to zero and terminated the program.

On January 1, 2010, the Company adopted amended FASB guidance on the accounting for transfers of financial assets which required the Company's securitized accounts receivables to remain on the Consolidated Balance Sheet with a corresponding increase to debt. As a result, decreases to the accounts receivable securitization program of $400.0 million for the three months ended March 31, 2010 are reflected as cash flows from financing activities and decreases of $300.0 million for the three months ended March 31, 2009 are reflected as cash flows from operating activities under previous FASB guidance.

During the three months ended March 31, 2010 and 2009, proceeds from collections of securitized accounts receivables of $263.1 million and $283.0 million, respectively, were reinvested in the revolving receivable securitization program. The net loss associated with securitizing the program's accounts receivables was $.5 million and $.6 million for the three months ended March 31, 2010 and 2009, respectively.

Liquidity and Capital Resources

The Company continually projects anticipated cash requirements, which include operating needs, capital expenditures, dividends, and principal and interest payments on its outstanding indebtedness and pension funding requirements, as well as cash flows generated from operating activities available to meet these needs. The Company believes that its operating cash flows, cash and cash equivalents, borrowing capacity under its Credit Facility, which had $1.82 billion of remaining availability at March 31, 2010, and access to capital markets are sufficient to fund its operating needs, including commitments to purchase sports programming rights, television and film programming, talent contracts, other operating commitments and contingencies, capital and investing commitments, dividends and other financing requirements for the next twelve months.

The Company's funding will come primarily from cash flows from operations. Any additional net cash funding requirements are financed with short-term borrowings, including commercial paper, and long-term debt. To the extent that commercial paper is not available to the Company, the existing Credit Facility provides sufficient capacity to satisfy any short-term borrowing needs.

On November 3, 2008, the Company filed a shelf registration statement with the Securities and Exchange Commission registering debt securities, preferred stock, Class B Common Stock (issuable only upon conversion of debt securities and preferred stock) and warrants of CBS Corp. that may be issued by the Company from time to time. The registration statement replaced the previous shelf registration statement that was scheduled to expire on December 1, 2008. As set forth in the shelf registration statement, the net proceeds from the sale of the offered securities may be used by CBS

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Corp. for general corporate purposes, including repayment of borrowings, working capital, capital expenditures, acquisitions and stock repurchases, or for such other purposes as may be specified in the applicable prospectus supplement.

Off-Balance Sheet Arrangements

The Company has indemnification obligations with respect to letters of credit and surety bonds primarily used as security against non-performance in the normal course of business. At March 31, 2010, the outstanding letters of credit and surety bonds approximated $381.1 million and were not recorded on the Consolidated Balance Sheet.

In the course of its business, the Company both provides and receives indemnities which are intended to allocate certain risks associated with business transactions. Similarly, the Company may remain contingently liable for various obligations of a business that has been divested in the event that a third party does not live up to its obligations under an indemnification obligation. The Company records a liability for its indemnification obligations and other contingent liabilities when probable under generally accepted accounting principles.

Legal Matters

Securities and Derivative Actions. On December 12, 2008, the City of Pontiac General Employees' Retirement System filed a self-styled class action complaint in the United States District Court for the Southern District of New York against the Company and its Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer, and Treasurer, alleging violations of federal securities law. The complaint, which was filed on behalf of a putative class of purchasers of the Company's common stock between February 26, 2008 and October 10, 2008 (the "Class Period"), alleges that, among other things, the Company's failure to timely write down the value of certain assets caused the Company's reported operating results during the Class Period to be materially inflated. The plaintiffs seek unspecified compensatory damages. On February 11, 2009, a motion was filed in the case on behalf of The City of Omaha, Nebraska Civilian Employees' Retirement System, and The City of Omaha Police and Fire Retirement System (collectively, the "Omaha Funds") seeking to appoint the Omaha Funds as the lead plaintiffs in this case; on March 5, 2009, the court granted that motion. On May 4, 2009, the plaintiffs filed an Amended Complaint, which removes the Treasurer as a defendant and adds the Executive Chairman. On July 13, 2009, all defendants filed a motion to dismiss this action. On March 16, 2010, the court granted the Company's motion and dismissed this action as to the Company and all defendants. On April 30, 2010, the plaintiffs filed a motion for leave to serve an amended complaint. The Company intends to oppose the plaintiffs' motion. The Company believes that the plaintiffs' claims are without merit and intends to vigorously defend itself in the litigation.

On October 2, 2009, a shareholder derivative complaint, Hatcher v. Moonves, et al., was filed in the United States District Court for the Southern District of New York naming the Company, as a nominal defendant, members of its board of directors and its Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer as defendants. The complaint alleges that the defendants breached fiduciary duties by failing to timely write down the value of certain of the Company's assets and relates to the same or similar allegations in the Omaha Funds case. The complaint seeks, among other things, unspecified compensatory damages, restitution from the defendants with respect to compensation, benefits and profits obtained and the institution of certain reforms to the Company's internal control functions. On December 11, 2009, another shareholder derivative complaint, Iron Workers v. Redstone, et al., was filed in the United States District Court for the Southern District of New York naming the

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same defendants as the Hatcher action, and making similar claims and demands. On December 28, 2009, the Hatcher and Iron Workers actions were consolidated and, on February 16, 2010, the plaintiffs filed a consolidated amended complaint in the United States District Court for the Southern District of New York. On April 3, 2010, the plaintiffs unilaterally filed a stipulation discontinuing the action without prejudice. On April 6, 2010, the court entered an order adopting this stipulation.

On December 22, 2009, another shareholder derivative complaint, Gray v. Redstone, et al., was filed in the Supreme Court, New York County, naming the same defendants as the Hatcher and Iron Workers actions, and making similar claims and demands. On March 8, 2010, the Company filed a motion to dismiss the action.

Indecency Regulation. In March 2006, the FCC released certain decisions relating to indecency complaints against certain of the Company's owned television stations and affiliated stations. The FCC ordered the Company to pay a forfeiture of $550,000 in the proceeding relating to the broadcast of a Super Bowl half-time show by the Company's television stations (the "Super Bowl Proceeding"). In May 2006, the FCC denied the Company's petition for reconsideration. In July 2006, the Company filed a Petition for Review of the forfeiture with the United States Court of Appeals for the Third Circuit and paid the $550,000 forfeiture in order to facilitate the Company's ability to bring the appeal. Oral argument was heard in September 2007. In July 2008, the Third Circuit vacated the FCC's order to have the Company pay the forfeiture and remanded the case to the FCC. On November 18, 2008, the FCC filed a petition for certiorari with the United States Supreme Court, seeking review of the Third Circuit's decision. The petition requested that the United States Supreme Court not act on the petition until it ruled in the "fleeting expletives case" mentioned below. On January 8, 2009, the Company filed its opposition to the FCC's petition for certiorari.

In another case involving broadcasts on another network, in June 2007, the United States Court of Appeals for the Second Circuit vacated the FCC's November 2006 finding that the broadcast of fleeting and isolated expletives was indecent and remanded the case to the FCC (the "fleeting expletives case"). On March 17, 2008, the United States Supreme Court granted the FCC's petition to review the United States Court of Appeals for the Second Circuit's decision. On November 4, 2008, the United States Supreme Court heard argument in this case. On April 28, 2009, the United States Supreme Court issued a 5-4 decision reversing the Second Circuit's judgment on administrative grounds in favor of the FCC and remanding the fleeting expletives case to the Second Circuit. The Second Circuit requested additional briefing and argument was heard on January 13, 2010.

Following the April 28, 2009 decision in the fleeting expletives case, on May 4, 2009, the United States Supreme Court remanded the Super Bowl Proceeding to the United States Court of Appeals for the Third Circuit and requested supplemental briefing from the Company and the FCC, in light of the United States Supreme Court's fleeting expletives decision. Argument was heard by the Third Circuit in the Super Bowl Proceeding on February 23, 2010. On April 15, 2010, the Third Circuit requested that the Company and the FCC each submit a supplemental brief on May 18, 2010.

In March 2006, the FCC also notified the Company and certain affiliates of the CBS Television Network of apparent liability for forfeitures relating to a broadcast of the program *Without a Trace*. The FCC proposed to assess a forfeiture of $32,500 against each of these stations, totaling $260,000 for the Company's owned stations. The Company is contesting the FCC decision and the proposed forfeitures.

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Additionally, the Company, from time to time, has received and may receive in the future letters of inquiry from the FCC prompted by complaints alleging that certain programming on the Company's broadcasting stations included indecent material.

Claims Related to Former Businesses: Asbestos, Environmental and Other. The Company is a defendant in lawsuits claiming various personal injuries related to asbestos and other materials, which allegedly occurred principally as a result of exposure caused by various products manufactured by Westinghouse, a predecessor, generally prior to the early 1970s. Westinghouse was neither a producer nor a manufacturer of asbestos. The Company is typically named as one of a large number of defendants in both state and federal cases. In the majority of asbestos lawsuits, the plaintiffs have not identified which of the Company's products is the basis of a claim. Claims against the Company in which a product has been identified principally relate to exposures allegedly caused by asbestos-containing insulating material in turbines sold for power-generation, industrial and marine use, or by asbestos containing grades of decorative micarta, a laminate used in commercial ships.

Claims are frequently filed and/or settled in groups, which may make the amount and timing of settlements, and the number of pending claims, subject to significant fluctuation from period to period. The Company does not report as pending those claims on inactive, stayed, deferred or similar dockets which some jurisdictions have established for claimants who allege minimal or no impairment. As of March 31, 2010, the Company had pending approximately 62,340 asbestos claims, as compared with approximately 62,360 as of December 31, 2009 and 67,540 as of March 31, 2009. During the first quarter of 2010, the Company received approximately 1,020 new claims and closed or moved to an inactive docket approximately 1,040 claims. The Company reports claims as closed when it becomes aware that a dismissal order has been entered by a court or when the Company has reached agreement with the claimants on the material terms of a settlement. Settlement costs depend on the seriousness of the injuries that form the basis of the claim, the quality of evidence supporting the claims and other factors. The Company's total costs for the years 2009 and 2008 for settlement and defense of asbestos claims after insurance recoveries and net of tax benefits were approximately $17.8 million and $15.0 million, respectively. The Company's costs for settlement and defense of asbestos claims may vary year to year as insurance proceeds are not always recovered in the same period as the insured portion of the expenses.

Filings include claims for individuals suffering from mesothelioma, a rare cancer, the risk of which is allegedly increased by exposure to asbestos; lung cancer, a cancer which may be caused by various factors, one of which is alleged to be asbestos exposure; other cancers, and conditions that are substantially less serious, including claims brought on behalf of individuals who are asymptomatic as to an allegedly asbestos-related disease. The predominant number of claims against the Company are non-cancer claims. In a substantial number of the pending claims, the plaintiff has not yet identified the claimed injury. The Company believes that its reserves and insurance are adequate to cover its asbestos liabilities. This belief is based upon many factors and assumptions, including the number of outstanding claims, estimated average cost per claim, the breakdown of claims by disease type, historic claim filings, costs per claim of resolution and the filing of new claims. While the number of asbestos claims filed against the Company has trended down in recent years, it is difficult to predict future asbestos liabilities, as events and circumstances may occur including, among others, the number and types of claims and average cost to resolve such claims, which could affect the Company's estimate of its asbestos liabilities.

The Company from time to time receives claims from federal and state environmental regulatory agencies and other entities asserting that it is or may be liable for environmental cleanup costs and related damages principally relating to historical and predecessor operations of the Company. In addition, the Company from time to time receives personal injury claims including toxic tort and product liability claims (other than asbestos) arising from historical operations of the Company and its predecessors.

General. On an ongoing basis, the Company defends itself in numerous lawsuits and proceedings and responds to various investigations and inquiries from federal, state and local authorities (collectively, "litigation"). Litigation is inherently uncertain and always difficult to predict. However, based on its understanding and evaluation of the relevant facts and circumstances, the Company believes that the above-described legal matters and other litigation to which it is a party are not likely, in the aggregate, to have a material adverse effect on its results of operations, financial position or cash flows. Under the Separation Agreement between the Company and Viacom Inc., the Company and Viacom Inc. have agreed to defend and indemnify the other in certain litigation in which the Company and/or Viacom Inc. is named.

Related Parties

National Amusements, Inc. National Amusements, Inc. ("NAI") is the controlling stockholder of CBS Corp. Mr. Sumner M. Redstone, the controlling stockholder, chairman of the board of directors and chief executive officer of NAI, is the Executive Chairman of the Board of Directors and founder of both CBS Corp. and Viacom Inc. In addition, Ms. Shari Redstone, Mr. Sumner M. Redstone's daughter, is the president and a director of NAI and the vice chair of the board of directors of both CBS Corp. and Viacom Inc. Mr. David R. Andelman is a director of CBS Corp. and serves as a director of NAI. Mr. Frederic V. Salerno is a director of CBS Corp. and serves as a director of Viacom Inc. At March 31, 2010, NAI beneficially owned CBS Corp. Class A Common Stock representing approximately 80% of the voting power of all classes of CBS Corp.'s Common Stock, and owned approximately 6% of CBS Corp.'s Class A Common Stock and Class B Common Stock on a combined basis.

Viacom Inc. CBS Corp., as part of its normal course of business, enters into transactions with Viacom Inc. and its subsidiaries. CBS Corp., through its Entertainment segment, licenses its television products to Viacom Inc., primarily MTV Networks and BET Networks. In addition, CBS Corp. recognizes advertising revenues for media spending placed by various subsidiaries of Viacom Inc., primarily Paramount Pictures. Paramount Pictures also distributes certain of the Company's television products in the home entertainment market. CBS Corp.'s total revenues from these transactions were $39.0 million and $71.4 million for the three months ended March 31, 2010 and 2009, respectively.

Showtime Networks pays license fees to Paramount Pictures for motion picture programming under an exclusive output agreement which covers feature films initially theatrically released in the U.S. through 2007. Showtime Networks has exhibition rights to each film licensed under this agreement during three pay television exhibition windows over the course of several years after each such film's initial theatrical release. This agreement has not been renewed for new feature films initially theatrically released in the U.S. after 2007. These license fees are initially recorded as programming inventory and amortized over the shorter of the life of the license agreement or projected useful life of the programming. In addition, CBS Corp. places advertisements with and leases production facilities from various subsidiaries of Viacom Inc. The total spending for all of these transactions was $5.3 million and $4.0 million for the three months ended March 31, 2010 and 2009, respectively.

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The following table presents the amounts due from or due to Viacom Inc. in the normal course of business as reflected on CBS Corp.'s Consolidated Balance Sheets.

	At March 31, 2010	At December 31, 2009
Amounts due from Viacom Inc.		
Receivables	$ 142.3	$ 164.4
Other assets (Receivables, noncurrent)	243.9	268.3
Total amounts due from Viacom Inc.	$ 386.2	$ 432.7
Amounts due to Viacom Inc.		
Accounts payable	$ 3.3	$ 2.8
Program rights	7.1	18.4
Other liabilities (Program rights, noncurrent)	.4	3.8
Total amounts due to Viacom Inc.	$ 10.8	$ 25.0

Other Related Parties The Company owns 50% of The CW, a television broadcast network, which is accounted for by the Company as an equity investment. CBS Corp., through the Entertainment segment, licenses its television products to The CW resulting in total revenues of $35.2 million and $16.9 million for the three months ended March 31, 2010 and 2009, respectively.

The Company, through the normal course of business, is involved in transactions with other related parties that have not been material in any of the periods presented.

Adoption of New Accounting Standards

Variable Interest Entities

Effective January 1, 2010, the Company adopted revised FASB guidance which changes the model for determining whether an entity should consolidate a Variable Interest Entity ("VIE"). This new model requires an assessment of whether an entity has a controlling financial interest in a VIE and is therefore the primary beneficiary and required to consolidate the VIE. This guidance also requires an ongoing assessment of whether an entity continues to be the primary beneficiary of a VIE. The adoption of this guidance did not have a material effect on the Company's consolidated financial statements.

Transfers of Financial Assets

Effective January 1, 2010, the Company adopted amended FASB guidance on accounting for transfers of financial assets. This amended guidance removes the concept of a qualifying special-purpose entity, establishes specific conditions for reporting a transfer of a portion of a financial asset as a sale, and limits the circumstances in which a financial asset, or portion of a financial asset, should be derecognized when the transferor has not transferred the entire original financial asset and/or when the transferor has continuing involvement with the transferred financial asset. The adoption of this guidance required the Company's securitized accounts receivables to remain on the Consolidated Balance Sheet with a corresponding increase to debt. During the first quarter of 2010, the Company reduced the amounts outstanding under its revolving accounts receivable securitization program from $400.0 million at December 31, 2009 to zero and terminated the program.

Management's Discussion and Analysis of
Results of Operations and Financial Condition (Continued)
(Tabular dollars in millions, except per share amounts)

Recent Pronouncements

Revenue Arrangements with Multiple Deliverables

In October 2009, the FASB issued guidance on revenue arrangements with multiple deliverables, effective for the Company beginning January 1, 2011. This guidance establishes a hierarchy for determining the selling price of a deliverable in a multiple element arrangement. The selling price used for each deliverable will be based on the Company-specific objective evidence if available, third party evidence if Company-specific evidence is not available, or estimated selling price if neither Company-specific objective evidence nor third party evidence is available. This guidance requires the best estimate of the selling price that would be used to sell the deliverable on a stand-alone basis. The Company is currently evaluating the impact of the adoption of this guidance on the consolidated financial statements.

Critical Accounting Policies

See Item 7, Management's Discussion and Analysis of Results of Operations and Financial Condition in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2009, for a discussion of the Company's critical accounting policies.

Cautionary Statement Concerning Forward-Looking Statements

This quarterly report on Form 10-Q, including "Item 2 – Management's Discussion and Analysis of Results of Operations and Financial Condition," contains both historical and forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements within the meaning of section 27A of the Securities Act of 1933 and section 21E of the Securities Exchange Act of 1934. These forward-looking statements are not based on historical facts, but rather reflect the Company's current expectations concerning future results and events. These forward-looking statements generally can be identified by the use of statements that include phrases such as "believe," "expect," "anticipate," "intend," "plan," "foresee," "likely," "will" or other similar words or phrases. Similarly, statements that describe the Company's objectives, plans or goals are or may be forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that are difficult to predict and which may cause the actual results, performance or achievements of the Company to be different from any future results, performance and achievements expressed or implied by these statements. These risks, uncertainties and other factors include, among others: advertising market conditions generally; changes in the public acceptance of the Company's programming; changes in technology and its effect on competition in the Company's markets; changes in the federal communications laws and regulations; the impact of piracy on the Company's products; the impact of consolidation in the market for the Company's programming; the impact of union activity, including possible strikes or work stoppages or the Company's inability to negotiate favorable terms for contract renewals; other domestic and global economic, business, competitive and/or regulatory factors affecting the Company's businesses generally; and other factors described in the Company's news releases and filings made under the securities laws, including, among others, those set forth under "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2009 and in our Quarterly Reports on Form 10-Q. There may be additional risks, uncertainties and factors that the Company does not currently view as material or that are not necessarily known. The forward-looking statements included in this document are made as of the date of this document and the Company does not have any obligation to publicly update any forward-looking statements to reflect subsequent events or circumstances.

Item 3. Quantitative and Qualitative Disclosures about Market Risk.

There have been no significant changes to market risk since reported in the Company's Annual Report on Form 10-K for the year ended December 31, 2009.

Item 4. Controls and Procedures.

The Company's chief executive officer and chief financial officer have concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) of the Securities Exchange Act of 1934, as amended) were effective, based on the evaluation of these controls and procedures required by Rule 13a-15(b) or 15d-15(b) of the Securities Exchange Act of 1934, as amended.

No change in the Company's internal control over financial reporting occurred during the Company's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

Securities and Derivative Actions. As previously disclosed, on December 12, 2008, the City of Pontiac General Employees' Retirement System filed a self-styled class action complaint in the United States District Court for the Southern District of New York against the Company and its Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer, and Treasurer, alleging violations of federal securities law. The complaint, which was filed on behalf of a putative class of purchasers of the Company's common stock between February 26, 2008 and October 10, 2008 (the "Class Period"), alleges that, among other things, the Company's failure to timely write down the value of certain assets caused the Company's reported operating results during the Class Period to be materially inflated. The plaintiffs seek unspecified compensatory damages. On February 11, 2009, a motion was filed in the case on behalf of The City of Omaha, Nebraska Civilian Employees' Retirement System, and The City of Omaha Police and Fire Retirement System (collectively, the "Omaha Funds") seeking to appoint the Omaha Funds as the lead plaintiffs in this case; on March 5, 2009, the court granted that motion. On May 4, 2009, the plaintiffs filed an Amended Complaint, which removes the Treasurer as a defendant and adds the Executive Chairman. On July 13, 2009, all defendants filed a motion to dismiss this action. On March 16, 2010, the court granted the Company's motion and dismissed this action as to the Company and all defendants. On April 30, 2010, the plaintiffs filed a motion for leave to serve an amended complaint. The Company intends to oppose the plaintiffs' motion. The Company believes that the plaintiffs' claims are without merit and intends to vigorously defend itself in the litigation.

As previously disclosed, on October 2, 2009, a shareholder derivative complaint, Hatcher v. Moonves, et al., was filed in the United States District Court for the Southern District of New York naming the Company, as a nominal defendant, members of its board of directors and its Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer as defendants. The complaint alleges that the defendants breached fiduciary duties by failing to timely write down the value of certain of the Company's assets and relates to the same or similar allegations in the Omaha Funds case. The complaint seeks, among other things, unspecified compensatory damages, restitution from the defendants with respect to compensation, benefits and profits obtained and the institution of certain reforms to the Company's internal control functions. On December 11, 2009, another shareholder derivative complaint, Iron Workers v. Redstone, et al., was filed in the United States District Court for the Southern District of New York naming the same defendants as the Hatcher action, and making similar claims and demands. On December 28, 2009, the Hatcher and Iron Workers actions were consolidated and, on February 16, 2010, the plaintiffs filed a consolidated amended complaint in the United States District Court for the Southern District of New York. On April 3, 2010, the plaintiffs unilaterally filed a stipulation discontinuing the action without prejudice. On April 6, 2010, the court entered an order adopting this stipulation.

As previously disclosed, on December 22, 2009, another shareholder derivative complaint, Gray v. Redstone, et al., was filed in the Supreme Court, New York County, naming the same defendants as the Hatcher and Iron Workers actions, and making similar claims and demands. On March 8, 2010, the Company filed a motion to dismiss the action.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

During the first quarter of 2010, the Company did not purchase any shares under its publicly announced share purchase programs which have remaining authorization of $649.4 million.

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Item 6. Exhibits.

Exhibit No.		Description of Document
(10)		**Material Contracts**
	(a)	Employment Agreement dated as of September 1, 2007 between CBS Corporation and Martin D. Franks, as amended by a 409(a) Letter Agreement dated November 3, 2008 (filed herewith).
	(b)	CBS Excess 401(k) Plan for Designated Senior Executives (as amended and restated as of December 31, 2005) (incorporated by reference to Exhibit 10(p) to the Annual Report on Form 10-K of CBS Corporation for the fiscal year ended December 31, 2005) (File No. 001-09553) (as amended by Part B as of January 1, 2009) (incorporated by reference to Exhibit 10(f) to the Annual Report on Form 10-K of CBS Corporation for the fiscal year ended December 31, 2008) (File No. 001-09553) (as Part B was amended as of January 1, 2009) (filed herewith).
	(c)	CBS Bonus Deferral Plan for Designated Senior Executives (as amended and restated as of December 31, 2005) (incorporated by reference to Exhibit 10(q) to the Annual Report on Form 10-K of CBS Corporation for the fiscal year ended December 31, 2005) (File No. 001-09553) (as amended by Part B as of January 1, 2009) (incorporated by reference to Exhibit 10(g) to the Annual Report on Form 10-K of CBS Corporation for the fiscal year ended December 31, 2008) (File No. 001-09553) (as Part B was amended as of January 1, 2009) (filed herewith).
(12)		**Statement Regarding Computation of Ratios (filed herewith)**
(31)		**Rule 13a-14(a)/15d-14(a) Certifications**
	(a)	Certification of the Chief Executive Officer of CBS Corporation pursuant to Rule 13a-14(a), or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
	(b)	Certification of the Chief Financial Officer of CBS Corporation pursuant to Rule 13a-14(a), or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
(32)		**Section 1350 Certifications**
	(a)	Certification of the Chief Executive Officer of CBS Corporation furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
	(b)	Certification of the Chief Financial Officer of CBS Corporation furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
(101)		**Interactive Data File** The following furnished materials from CBS Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010, formatted in XBRL (Extensible Business Reporting Language), are collectively included herewith as Exhibit 101: 101. INS XBRL Instance Document. 101. SCH XBRL Taxonomy Extension Schema. 101. CAL XBRL Taxonomy Extension Calculation Linkbase. 101. DEF XBRL Taxonomy Extension Definition Linkbase. 101. LAB XBRL Taxonomy Extension Label Linkbase. 101. PRE XBRL Taxonomy Extension Presentation Linkbase.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CBS CORPORATION
(Registrant)

Date: May 5, 2010

/s/ JOSEPH R. IANNIELLO

Joseph R. Ianniello
Executive Vice President and
Chief Financial Officer

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CBS CORPORATION
51 West 52nd Street
New York, NY 10019

Martin D. Franks

Dear Marty: As of September 1, 2007

CBS Corporation ("CBS"), having an address at 51 West 52nd Street, New York, New York 10019, agrees to employ you and you agree to accept such employment upon the following terms and conditions:

1. Term. The term of your employment under this Agreement shall commence on September 1, 2007 and, unless terminated by CBS or you pursuant to paragraph 8 or because of your death or Disability (as defined below), shall continue through and until August 31, 2010. The period from September 1, 2007 through August 31, 2010 is referred to as the "Term" notwithstanding any earlier termination of your employment for any reason.

2. Duties. You agree to devote your entire business time, attention and energies to the business of CBS. You will be Executive Vice President, Planning, Policy and Government Affairs and you agree to perform all duties reasonable and consistent with that office as the President and Chief Executive Officer of CBS (the "CEO") or other individual designated by the CEO may assign to you from time to time. Your duties presently include oversight of: the Corporation's activities in Washington as well as with state and local governments; CBS's Corporate philanthropy, CBS's Standards and Practices department; relations with multi-channel video providers and retransmission consent negotiations.

3. Compensation.

(a) Salary. For all the services rendered by you in any capacity under this Agreement, CBS agrees to pay you base salary ("Salary") effective September 1, 2007 at the rate of Seven Hundred Thousand Dollars ($700,000) per annum, less applicable deductions and withholding taxes, in accordance with CBS's payroll practices as they may exist from time to time. During the remainder of the Term of this

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Agreement, your Salary may be increased, and such increase, if any, shall be made at a time, and in an amount, that CBS shall determine in its sole discretion.

(b) Bonus Compensation. You also shall be eligible to receive annual bonus compensation ("Bonus") during your employment with CBS under this Agreement, determined and payable as follows:

(i) Your Bonus for each calendar year during your employment with CBS under this Agreement will be determined in accordance with the guidelines of the CBS Short-Term Incentive Program (the "STIP"), as such guidelines may be amended from time to time without notice in the sole discretion of CBS.

(ii) Beginning in calendar year 2007, your target bonus ("Target Bonus") for each of the remaining calendar years in the Term shall be 70% of your Salary as in effect on November 1st of such year or the last day of the Term, if earlier. Such target may be increased, but not decreased, by CBS in its sole discretion. Your Bonus for any of those calendar years may be subject to proration for the portion of such calendar year that you were employed by CBS.

(iii) Your Bonus for any calendar year shall be payable, less applicable deductions and withholding taxes, by February 28th of the following year.

(c) Long-Term Incentive Compensation. You shall be eligible to receive annual grants of long-term incentive compensation under the CBS long-term management incentive plan as may be amended from time to time without notice in the sole discretion of CBS. Beginning in 2008, you shall have a "Target" long-term incentive value equal to One Million Two Hundred Thousand Dollars ($1,200,000). The precise amount, form and timing of any such long-term incentive award, if any, shall be determined in the sole discretion of the CBS Compensation Committee.

4. Benefits. You shall participate in such vacation, medical, dental, life insurance, long-term disability insurance, retirement, long-term incentive and other plans as CBS may have or establish from time to time and in which you would be entitled to participate under the terms of the plan. This provision, however, shall not be construed to either require CBS to establish any welfare, compensation or long-term incentive plans, or to prevent the modification or termination of any plan once established, and no action or inaction with respect to any plan shall affect this Agreement.

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5. Business Expenses. During your employment under this Agreement, CBS shall reimburse you for such reasonable travel and other expenses incurred in the performance of your duties as are customarily reimbursed to CBS executives at comparable levels. CBS acknowledges that your business expense reimbursement requests will reflect the fact that you perform duties in both the Washington D.C. office and the New York City headquarters office on a regular and recurring basis.

6. Non-Competition, Confidential Information, Etc.

(a) Non-Competition. You agree that your employment with CBS is on an exclusive basis and that, while you are employed by CBS, or any of its subsidiaries, you will not engage in any other business activity which is in conflict with your duties and obligations (including your commitment of time) under this Agreement. You further agree that, during the Non-Compete Period (as defined below), you shall not directly or indirectly engage in or participate in (or negotiate or sign any agreement to engage in or participate in), whether as an owner, partner, stockholder, officer, employee, director, agent of or consultant for, any business which at such time is competitive with any business of CBS, or any of its subsidiaries, without the written consent of CBS; provided, however, that this provision shall not prevent you from investing as less than a one (1%) percent stockholder in the securities of any company listed on a national securities exchange or quoted on an automated quotation system. The Non-Compete Period shall cover the period during your employment with CBS and shall continue following the termination of your employment for any reason, including by expiration of this Agreement for the greater of: (i) six (6) months; or (ii) for so long as any payments are made to you pursuant to paragraph 8(d) subject to CBS's acceptance of your written request pursuant to paragraph 6(j) which relates to the opportunity to request that CBS in its sole discretion terminate your obligations under this paragraph 6(a) in exchange for waiving your right to certain compensation and benefits.

(b) Confidential Information. You agree that, during the Term and at any time thereafter, (i) you shall not use for any purpose other than the duly authorized business of CBS, or disclose to any third party, any information relating to CBS, or any of CBS's affiliated companies which is non-public, confidential or proprietary to CBS or any of CBS's affiliated companies ("Confidential Information"), including any trade secret or any written (including in any electronic form) or oral communication incorporating Confidential Information in any way (except as may be required by law or in the performance of your duties under this Agreement consistent with CBS's policies); and (ii) you will comply with any and all confidentiality obligations of CBS to a third party, whether arising under a written agreement or otherwise. Information shall not be deemed Confidential Information which (*x*) is or becomes generally available to the

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public other than as a result of a disclosure by you or at your direction or by any other person who directly or indirectly receives such information from you, or (*y*) is or becomes available to you on a non-confidential basis from a source which is entitled to disclose it to you.

(c) No Solicitation, Etc. You agree that, while employed by CBS and for the greater of twelve (12) months thereafter or for so long as CBS is making any payments, to you pursuant to paragraph 8(d), you shall not, directly or indirectly:

(i) employ or solicit the employment of any person who is then or has been within twelve (12) months prior thereto, an employee of CBS, or any of CBS's affiliated companies; or

(ii) do any act or thing to cause, bring about, or induce any interference with, disturbance to, or interruption of any of the then-existing relationships (whether or not such relationships have been reduced to formal contracts) of CBS, or any of CBS's affiliated companies with any customer, employee, consultant or supplier.

(d) CBS Ownership. The results and proceeds of your services under this Agreement, including, without limitation, any works of authorship resulting from your services during your employment with CBS, and/or any of CBS's affiliated companies and any works in progress resulting from such services, shall be works-made-for-hire and CBS shall be deemed the sole owner throughout the universe of any and all rights of every nature in such works, whether such rights are now known or hereafter defined or discovered, with the right to use the works in perpetuity in any manner CBS determines in its sole discretion without any further payment to you. If, for any reason, any of such results and proceeds are not legally deemed a work-made-for-hire and/or there are any rights in such results and proceeds which do not accrue to CBS under the preceding sentence, then you hereby irrevocably assign and agree to assign any and all of your right, title and interest thereto, including, without limitation, any and all copyrights, patents, trade secrets, trademarks and/or other rights of every nature in the work, whether now known or hereafter defined or discovered, and CBS shall have the right to use the work in perpetuity throughout the universe in any manner CBS determines in its sole discretion without any further payment to you. You shall, as may be requested by CBS from time to time, do any and all things which CBS may deem useful or desirable to establish or document CBS's rights in any such results and proceeds, including, without limitation, the execution of appropriate copyright, trademark and/or patent applications, assignments or similar documents and, if you are unavailable or unwilling to execute such documents, you hereby irrevocably designate the President and CEO, CBS Corporation or his designee as your attorney-in-fact with the power to execute such documents on your behalf. To the extent you have any rights in the results and proceeds

of your services under this Agreement that cannot be assigned as described above, you unconditionally and irrevocably waive the enforcement of such rights. This paragraph 6(d) is subject to, and does not limit, restrict, or constitute a waiver by CBS of any ownership rights to which CBS may be entitled by operation of law by virtue of being your employer.

(e) Litigation.

(i) You agree that during the Term, and for the greater of: (i) six (6) months thereafter; or (ii) during the pendency of any litigation or other proceeding, (*x*) you shall not communicate with anyone (other than your own attorneys and tax advisors), except to the extent necessary in the performance of your duties under this Agreement, with respect to the facts or subject matter of any pending or potential litigation, or regulatory or administrative proceeding involving CBS, or any of CBS's affiliated companies, other than any litigation or other proceeding in which you are a party-in-opposition, without giving prior notice to CBS or its counsel; and (*y*) in the event that any other party attempts to obtain information or documents from you with respect to such matters, either through formal legal process such as a subpoena or by informal means such as interviews, you shall promptly notify CBS's counsel before providing any information or documents.

(ii) You agree to cooperate with CBS and its attorneys, both during and after the termination of your employment, in connection with any litigation or other proceeding arising out of or relating to matters in which you were involved prior to the termination of your employment. Your cooperation shall include, without limitation, providing assistance to CBS's counsel, experts or consultants, and providing truthful testimony in pretrial and trial or hearing proceedings. In the event that your cooperation is requested after the termination of your employment, CBS will (*x*) seek to minimize interruptions to your schedule to the extent consistent with its interests in the matter; and (*y*) reimburse you for all reasonable and appropriate out-of-pocket expenses actually incurred by you in connection with such cooperation upon reasonable substantiation of such expenses.

(iii) You agree that during the Term and at any time thereafter, to the fullest extent permitted by law, you will not testify voluntarily in any lawsuit or other proceeding which directly or indirectly involves CBS, or any of CBS's affiliated companies, or which may create the impression that such testimony is endorsed or approved

by CBS, or any of CBS's affiliated companies, without advance notice (including the general nature of the testimony) to and, if such testimony is without subpoena or other compulsory legal process the approval of, the Executive Vice President and General Counsel, CBS Corporation.

(f) No Right to Give Interviews or Write Books, Articles, Etc. During the Term, except as authorized by CBS, you shall not (i) give any interviews or speeches, or (ii) prepare or assist any person or entity in the preparation of any books, articles, television or motion picture productions or other creations, in either case, concerning CBS, or any of CBS's affiliated companies or any of their respective officers, directors, agents, employees, suppliers or customers.

(g) Return of Property. All documents, data, recordings, or other property, whether tangible or intangible, including all information stored in electronic form, obtained or prepared by or for you and utilized by you in the course of your employment with CBS shall remain the exclusive property of CBS. In the event of the termination of your employment for any reason, CBS reserves the right, to the extent permitted by law and in addition to any other remedy CBS may have, to deduct from any monies otherwise payable to you the following: (i) all amounts you may owe to CBS, or any of CBS's affiliated companies at the time of or subsequent to the termination of your employment with CBS; and (ii) the value of the CBS property which you retain in your possession after the termination of your employment with CBS. In the event that the law of any state or other jurisdiction requires the consent of an employee for such deductions, this Agreement shall serve as such consent.

(h) Non-Disparagement. You agree that, during the Term and for one year thereafter, you shall not, in any communications with the press or other media or any customer, client or supplier of CBS, or any of CBS's affiliated companies, criticize, ridicule or make any statement which disparages or is derogatory of CBS, or any of CBS's affiliated companies or any of their respective directors or senior officers.

(i) Injunctive Relief. CBS has entered into this Agreement in order to obtain the benefit of your unique skills, talent, and experience. You acknowledge and agree that any violation of paragraphs 6(a) through (h) of this Agreement will result in irreparable damage to CBS, and, accordingly, CBS may obtain injunctive and other equitable relief for any breach or threatened breach of such paragraphs, in addition to any other remedies available to CBS.

(j) Survival; Modification of Terms. Your obligations under paragraphs 6(a) through (i) shall remain in full force and effect for the entire period provided therein notwithstanding the termination of your employment under this Agreement for any reason or the expiration of the Term; provided, however, that your obligations under paragraph 6(a) (but not under any other provision of this Agreement)

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shall cease if: *(x)* CBS terminates your employment without Cause and *(y)* you provide CBS a written notice indicating your desire to waive your right to receive, or to continue to receive, termination payments and benefits under paragraph 8(d)(i) through (iii), and *(z)* CBS notifies you that it has, in its sole discretion, accepted your request. You and CBS agree that the restrictions and remedies contained in paragraphs 6(a) through (i) are reasonable and that it is your intention and the intention of CBS that such restrictions and remedies shall be enforceable to the fullest extent permissible by law. If a court of competent jurisdiction shall find that any such restriction or remedy is unenforceable but would be enforceable if some part were deleted or the period or area of application reduced, then such restriction or remedy shall apply with the modification necessary to make it enforceable. You acknowledge that CBS conducts its business operations around the world and has invested considerable time and effort to develop the international brand and goodwill associated with the "CBS" name. To that end, you further acknowledge that the obligations set forth in this paragraph 6 are by necessity international in scope and necessary to protect the international operations and goodwill of CBS and its affiliated companies.

7. Disability. In the event that you become "disabled" within the meaning of such term under CBS's Short-Term Disability ("STD") program and its Long-Term Disability ("LTD") program while employed during the Term (such condition is referred to as a "Disability"), you will receive compensation under the STD program in accordance with its terms. Thereafter, you will be eligible to receive benefits under the LTD program in accordance with its terms. If you have not returned to work by December 31st of a calendar year during the Term, you will receive bonus compensation for the calendar year(s) during the Term in which you receive compensation under the STD program, determined as follows:

(i) for the portion of the calendar year from January 1st until the date on which you first receive compensation under the STD program, bonus compensation shall be determined in accordance with the STIP (i.e., based upon CBS's achievement of its goals and CBS's good faith estimate of your achievement of your personal goals) and prorated for such period; and

(ii) for any subsequent portion of that calendar year and any portion of the following calendar year in which you receive compensation under the STD program, bonus compensation shall be in an amount equal to your Target Bonus and prorated for such period(s).

Subject to paragraph 19 hereof, bonus compensation under this paragraph 7 shall be paid, less applicable deductions and withholding taxes, by February 28th of the year(s) following the year as to which such bonus compensation is payable. You will not receive bonus compensation for any portion of the calendar year(s) during the Term

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while you receive benefits under the LTD program. For the periods that you receive compensation and benefits under the STD and LTD programs, such compensation and benefits and the bonus compensation provided under this paragraph 7 are in lieu of Salary and Bonus under paragraphs 3(a) and (b).

8. Termination.

(a) Termination for Cause. CBS may, at its option, terminate your employment under this Agreement forthwith for Cause and thereafter shall have no further obligations under this Agreement, including, without limitation, any obligation to pay Salary or Bonus or provide benefits. Cause shall mean: (i) dishonesty; (ii) embezzlement, fraud or other conduct which would constitute a felony or a misdemeanor involving fraud or perjury; (iii) willful unauthorized disclosure of Confidential Information; (iv) your failure to obey a material lawful directive that is appropriate to your position from an executive(s) in your reporting line; (v) your failure to comply with the written policies of CBS, including the CBS Business Conduct Statement or successor conduct statement as they apply from time to time; (vi) your material breach of this Agreement (including any representations herein); (vii) your failure (except in the event of your Disability) or refusal to substantially perform your material obligations under this Agreement; (viii) willful failure to cooperate with a bona fide internal investigation or investigation by regulatory or law enforcement authorities or the destruction or failure to preserve documents or other material reasonably likely to be relevant to such an investigation, or the inducement of others to fail to cooperate or to destroy or fail to produce documents or other material; or (ix) conduct which is considered an offense involving moral turpitude under federal, state or local laws, or which might bring you to public disrepute, scandal or ridicule or reflect unfavorably upon any of CBS's businesses or those who conduct business with CBS and its affiliated entities. CBS will give you written notice prior to terminating your employment pursuant to (iv), (v), (vi), (vii), (viii) or (ix) of this paragraph 8(a), setting forth the nature of any alleged failure, breach or refusal in reasonable detail and the conduct required to cure. Except for a failure, breach or refusal which, by its nature, cannot reasonably be expected to be cured, you shall have ten (10) business days from the giving of such notice within which to cure any failure, breach or refusal under (iv), (v), (vi), (vii), (viii) or (ix) of this paragraph 8(a); provided, however, that, if CBS reasonably expects irreparable injury from a delay of ten (10) business days, CBS may give you notice of such shorter period within which to cure as is reasonable under the circumstances.

(b) Good Reason Termination. You may terminate your employment under this Agreement for Good Reason at any time during the Term by written notice to CBS given no more than thirty (30) days after the occurrence of the event constituting Good Reason. Such notice shall state an effective date no earlier than thirty (30) business days and no later than sixty (60) days after the date it is given, provided, that

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CBS may set an earlier effective date for your resignation at any time after receipt of your notice. CBS shall have thirty (30) business days from the receipt of your notice within which to cure and, in the event of such cure, your notice shall be of no further force or effect. Good Reason shall mean without your consent (other than in connection with the termination or suspension of your employment or duties for Cause or in connection with physical and mental incapacity): (i) the requirement that you report to an executive at a level lower than the President & CEO of CBS Corporation (currently Leslie Moonves) (ii) the material breach by CBS of its obligations under this Agreement, including a material reduction in the scope of your responsibilities as outlined in paragraph 2 herein, or title, or a material reduction in your base compensation; or (iii) the requirement that you relocate your prinicipal residence outside of the metropolitan area you currently reside in.

(c) Termination Without Cause. CBS may terminate your employment under this Agreement without Cause at any time during the Term by written notice to you.

(d) Termination Payments/Benefits. In the event that your employment terminates under paragraph 8(b) or 8(c) during the Term hereof, subject to paragraph 19, you shall thereafter receive, less applicable withholding taxes for the remainder of the Term as follows:

(i) an amount equal to eighteen (18) months of your then current base salary plus eighteen (18) months of bonus paid in accordance with CBS's then effective payroll practices. The eighteen (18) months of bonus amount shall be determined in two parts, as follows: (i) for the number of months that you were actively rendering services during the calendar year prior to your Termination, an actual bonus amount shall be determined in a manner consistent with other CBS Corporate executives and (ii) for the number of months remaining to achieve 18 months, the bonus amount shall be determined based upon your "target" bonus;

(ii) medical and dental insurance coverage for you and your eligible dependents provided under company paid COBRA benefits at no cost to you (except as hereafter described) pursuant to the CBS benefit plans in which you participated in at the time of your termination of employment for a period of eighteen (18) months, or if earlier, the date on which you become eligible for medical or dental coverage as the case may be from a third party; provided, that, during the period that CBS provides you with this coverage, an amount equal to the applicable COBRA premiums (or such other amounts as may be required by law) will be included in your income for tax purposes to the extent required by law and CBS

may withhold taxes from your compensation for this purpose; provided, further, that you may elect to continue your medical and dental insurance coverage under COBRA at your own expense for the balance, if any, of the period required by law; and

(iii) life insurance coverage until the end of the Term pursuant to CBS's then-current policy in the amount then furnished to CBS employees at no cost (the amount of such coverage will be reduced by the amount of life insurance coverage furnished to you at no cost by a third party employer); provided, to the extent that CBS is unable to continue such benefits because of underwriting on the plan term, CBS shall provide you with economically equivalent benefits determined on an after-tax basis (to the extent such benefit was non-taxable).

(iv) The following with respect to long-term incentive awards granted to you under the CBS 2004 Long-Term Management Incentive Plan and any predecessor or successor CBS Corporation Long-Term Management Incentive Plans (the "LTMIP"):

a. All awards of stock options that have not vested and become exercisable on the date of such termination but that would otherwise vest on or before the end of an eighteen (18) month period thereafter shall accelerate and vest immediately on the date of termination, and will continue to be exercisable until the earliest of: (i) eighteen (18) months following the termination date, (ii) their expiration date; or (iii) the latest date permitted to avoid implementation of tax or penalties under the provisions of Section 409A of the Internal Revenue Code and the regulations and guidance promulgated thereunder (collectively, "Code Section 409A").

b. All awards of stock options that have previously vested and become exercisable by the date of such termination shall remain exercisable for the later of: (i) eighteen (18) months after the termination date; or (ii) in the event that you qualify for "Retirement" as set forth in the LTMIP, then for such longer period as provided therein; provided, however, that in no event shall the exercise period extend beyond the earlier of: (x) their expiration date; or (y) the latest date permitted to avoid implementation of tax or penalties under the provisions of Code Section 409A.

c. All awards of restricted shares and performance-based restricted share units ("RSUs") that would otherwise vest on or before the end of an eighteen (18) month period thereafter shall accelerate and vest immediately on the date of termination.

d. All awards of RSUs that were not subject to performance-based vesting criteria that would otherwise vest on or before the eighteen (18) month period thereafter shall accelerate and vest immediately to the fullest extent permitted by the LTMIP on the date of termination.

Provided, that if you are deemed to be a "key employee" as determined by procedures adopted by CBS at the time of your termination as it pertains to Code Section 409A, and if any such Salary and/or Bonus amount would be paid both (i) within six months after your termination of employment and (ii) later than February 28 of the year after your termination of employment (any such amounts being referred to as "Gap Period Payments"), then such Gap Period Payments shall be paid by such February 28 rather than on the dates they otherwise would have been paid but for this proviso.

You shall be required to mitigate the amount of any payment provided for in (i) of this paragraph 8(d) by seeking other employment, and the amount of such payments shall be reduced by any compensation earned by you from any source, including, without limitation, salary, sign-on or annual bonus compensation, consulting fees, and commission payments, provided, that mitigation shall not be required, and no reduction for other compensation shall be made for earnings for services provided during the first twelve (12) months after the termination of your employment. You agree to advise CBS immediately and in writing of any employment for which you are receiving such payments and to provide documentation of as requested by CBS with respect to such employment. The payments provided for in (i) above are in lieu of any other severance or income continuation or protection under any CBS plan that may now or hereafter exist.

(e) Renewal Notice / Non-Renewal. CBS shall notify you six (6) months prior to the expiration of this Agreement in writing if it intends to continue your employment beyond the expiration of the Term. If you are notified that CBS does intend to continue your employment, then you agree that you shall negotiate exclusively with CBS for the first 90 days following such notification. Nothing contained herein shall obligate CBS to provide an increase to your compensation hereunder upon such renewal. If you remain employed beyond the end of the Term but have not entered into a new contractual relationship with CBS, or any of CBS's affiliated companies, your continued employment shall be "at will" and on such terms and conditions as CBS may at the time establish, and either party, during such period, may terminate your employment at any

time, provided, that if CBS terminates your employment during such period without cause, you shall become eligible to receive the greater of: (i) one year's base salary and target bonus or (ii) severance under the then current CBS severance policy applicable to executives at your level subject to the terms of such severance policy, and in either case, subject to your execution of a release in favor of CBS.

(f) Termination of Benefits. Notwithstanding anything in this Agreement to the contrary (except as otherwise provided in paragraph 8(d) with respect to medical and dental benefits and life insurance), participation in all CBS benefit plans and programs (including, without limitation, vacation accrual, all retirement and related excess plans and LTD) will terminate upon the termination of your employment except to the extent otherwise expressly provided in such plans or programs and subject to any vested rights you may have under the terms of such plans or programs. The foregoing shall not apply to the LTMIP and, after the termination of your employment, your rights under the LTMIP shall be governed by the terms of the LTMIP award agreements or certificates and the applicable LTMIP plans.

(g) Resignation from Official Positions. If your employment with CBS terminates for any reason, you shall be deemed to have resigned at that time from any and all officer or director positions that you may have held with CBS, or any of CBS's affiliated companies and all board seats or other positions in other entities you held on behalf of CBS. If, for any reason, this paragraph 8(g) is deemed insufficient to effectuate such resignation, you agree to execute, upon the request of CBS, any documents or instruments which CBS may deem necessary or desirable to effectuate such resignation or resignations, and you hereby authorize the Secretary and any Assistant Secretary of CBS to execute any such documents or instruments as your attorney-in-fact.

(h) Release and Compliance with Paragraph 6. Notwithstanding any provision herein to the contrary, CBS shall require that, prior to payment of any amount or provision of any benefit pursuant to paragraph 8(d), you shall have executed a general release in favor of CBS and its affiliated companies in a form satisfactory to CBS. In addition, the payments and benefits described in paragraph 8(d) shall immediately cease, and CBS shall have no further obligations to you with respect thereto, in the event that you materially breach any provision of paragraph 6 hereof.

9. Death. In the event of your death prior to the end of the Term while actively employed, your beneficiary or estate shall receive (i) your Salary up to the date on which the death occurs; (ii) any Bonus earned in the prior year but not yet paid; and (iii) bonus compensation for the calendar year in which the death occurs, determined in accordance with the STIP (i.e., based upon CBS's achievement of its goals and CBS's good faith estimate of your achievement of your personal goals) and pro-rated for the portion of the year through the date of death, payable, less applicable deductions and withholding taxes, by February 28th of the following year. In the event of your death

after the termination of your employment while you are entitled to receive compensation under paragraph 8(d), your beneficiary or estate shall receive (*x*) any Salary payable under paragraph 8(d)(i) up to the date on which the death occurs; and (*y*) bonus compensation for the calendar year in which the death occurs in an amount equal to your Target Bonus and pro-rated for the portion of the year through the date of death, payable, less applicable deductions and withholding taxes, by February 28th of the following year.

10. No Acceptance of Payments. You represent that you have not accepted or given nor will you accept or give, directly or indirectly, any money, services or other valuable consideration from or to anyone other than CBS for the inclusion of any matter as part of any film, television program or other production produced, distributed and/or developed by CBS, or any of CBS's affiliated companies.

11. Equal Opportunity Employer; Employee Statement of Business Conduct. You recognize that CBS is an equal opportunity employer. You agree that you will comply with CBS policies regarding employment practices and with applicable federal, state and local laws prohibiting discrimination on the basis of race, color, sex, religion, national origin, citizenship, age, marital status, sexual orientation, disability or veteran status. In addition, you agree that you will comply with the CBS Business Conduct Statement.

12. Notices. All notices under this Agreement must be given in writing, by personal delivery or by mail, at the parties' respective addresses shown on this Agreement (or any other address designated in writing by either party), with a copy, in the case of CBS, to the attention of the Executive Vice President, General Counsel, CBS. Any notice given by mail shall be deemed to have been given three days following such mailing.

13. Assignment. This is an Agreement for the performance of personal services by you and may not be assigned by you or CBS except that CBS may assign this Agreement to any affiliated company of or any successor in interest to CBS.

14. New York Law, Etc. You acknowledge that this Agreement has been executed, in whole or in part, in New York, and your employment duties are primarily performed in New York. Accordingly, you agree that this Agreement and all matters or issues arising out of or relating to your CBS employment shall be governed by the laws of the State of New York applicable to contracts entered into and performed entirely therein.

15. No Implied Contract. Nothing contained in this Agreement shall be construed to impose any obligation on CBS or you to renew this Agreement or any portion thereof. The parties intend to be bound only upon execution of a written agreement and no negotiation, exchange of draft or partial performance shall be deemed

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to imply an agreement. Neither the continuation of employment nor any other conduct shall be deemed to imply a continuing agreement upon the expiration of the Term.

16. Entire Understanding. This Agreement contains the entire understanding of the parties hereto relating to the subject matter contained in this Agreement, and can be changed only by a writing signed by both parties.

17. Void Provisions. If any provision of this Agreement, as applied to either party or to any circumstances, shall be found by a court of competent jurisdiction to be unenforceable but would be enforceable if some part were deleted or the period or area of application were reduced, then such provision shall apply with the modification necessary to make it enforceable, and shall in no way affect any other provision of this Agreement or the validity or enforceability of this Agreement.

18. Supersedes Prior Agreements. With respect to the period covered by the Term, this Agreement supersedes and cancels all prior agreements relating to your employment by CBS, or any of CBS's affiliated companies.

19. Payment of Deferred Compensation – Section 409A.

(a) The intent of the parties is that payments and benefits under this Agreement comply with Code Section 409A and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted to be in compliance therewith. If you notify CBS (with specificity as to the reason therefor) that you believe that any provision of this Agreement (or of any award of compensation, including equity compensation or benefits) would cause you to incur any additional tax or interest under Section 409A and CBS concurs, or CBS (without any obligation whatsoever to do so) independently makes such determination, CBS shall, after consulting with you, use reasonable efforts to reform such provision to the extent possible to comply with Code Section 409A; provided that such modification shall, to the maximum extent practicable, maintain the original intent and economic benefit to you and CBS of the applicable provision without violating the provisions of Code Section 409A; and further provided that if CBS, in its sole discretion, determines that reformation or modification is not practicable, CBS is under no obligation whatsoever to make such reformation or modification.

(b) In no event whatsoever (including, but not limited to as a result of paragraph (a) or otherwise) shall CBS be liable for any tax, interest or penalties that may be imposed on you by Code Section 409A or any damages for failing to comply with Code Section 409A or (a) above. You acknowledge that you have been advised to obtain independent legal, tax or other counsel in connection with Code Section 409A, and you acknowledge that your decision to enter into this Agreement is based on consultation with such counsel.

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20. Arbitration. If any disagreement or dispute whatsoever shall arise between the parties concerning this Agreement (including the documents referenced herein) or your employment with CBS, the parties hereto agree that such disagreement or dispute shall be submitted to arbitration before the American Arbitration Association ("AAA"), and that a neutral arbitrator will be selected in a manner consistent with its Employment Arbitration Rules and Mediation Procedures ("Rules"). Such arbitration shall be confidential and private and conducted in accordance with the Rules. Any such arbitration proceeding shall take place in New York City before a single arbitrator (rather than a panel of arbitrators). The parties agree that the arbitrator shall have no authority to award any punitive or exemplary damages and waive, to the full extent permitted by law, any right to recover such damages in such arbitration. Each party shall bear its respective costs (including attorney's fees, and there shall be no award of attorney's fees). Judgment upon the final award rendered by such arbitrator, after giving effect to the AAA internal appeals process, may be entered in any court having jurisdiction thereof. Notwithstanding anything herein to the contrary, CBS shall be entitled to seek injunctive, provisional and equitable relief in a court proceeding as a result of your alleged violation of the terms of Section 6 of this Agreement, and you hereby consent and agree to exclusive personal jurisdiction in any state or federal court located in the City of New York, Borough of Manhattan.

[signature page to follow]

If the foregoing correctly sets forth our understanding, please sign, date and return all four (4) copies of this Agreement to the undersigned for execution on behalf of CBS; after this Agreement has been executed by CBS and a fully-executed copy returned to you, it shall constitute a binding agreement between us.

Very truly yours,

CBS CORPORATION

By: /s/ Anthony G. Ambrosio
Name: Anthony G. Ambrosio
Title: EVP, HR & Administration

ACCEPTED AND AGREED:

/s/ Martin D. Franks
Martin D. Franks

Dated: May 12, 2008

SECTION 409A
AGREEMENT AMENDMENT

This Amendment modifies certain terms and conditions of your employment or other compensation agreement, as the case may be, with CBS Corporation or one of its subsidiaries (your "Agreement"). In this Amendment, we refer to the corporation or other entity that employs you as the "Company", and we refer to CBS Corporation and its subsidiaries, collectively, as "CBS".

1. Timing of Pre-Termination Payments. If your Agreement does not already provide a schedule for the payment of your base salary or other regular compensation (your "Salary") that is in compliance with Section 409A of the Internal Revenue Code and the rules, regulations and guidance thereunder ("Section 409A") (e.g., does not state that your Salary will be paid on a bi-weekly basis or in accordance with normal payroll practices), your Agreement is modified to provide that payments of Salary, less deductions and income and payroll tax withholding as may be required or authorized under applicable law, shall be payable in accordance with the Company's normal payroll procedures for employees generally, but no less frequently than monthly. If you participate in an annual bonus plan and your Agreement does not already

specify a date on which your annual bonus will be paid that either complies with Section 409A or causes the payment of your annual bonus to be exempt from Section 409A (including, if applicable, payment of your annual bonus while receiving short-term disability benefits), your Agreement is modified to provide that your annual bonus will be paid between January 1 and February 28 of the calendar year following the calendar year as to which the bonus is payable. If your Agreement provides for a payment to be made promptly or as soon as administratively practicable after or following the occurrence of a permissible payment event (within the meaning of Section 409A) that is specified in the Agreement, then the payment will be made not later than 90 days following the occurrence of such permissible payment event, provided that you will not have the right to designate the taxable year of the payment and provided that such time of payment shall be determined by CBS in its sole discretion.

2. Termination of Employment. To the extent that your Agreement provides for any severance or other termination payment, or any other benefits to be made or provided to you or your beneficiaries, upon or as a result of your termination of employment, including as a result of your becoming "disabled" within the meaning of such term under CBS's Long-Term Disability (LTD) program, you will be considered to have experienced a termination of employment as of the date that the facts and circumstances indicate that it is reasonably anticipated that you will provide no further services after such date or that the level of bona fide services that you are expected to perform permanently decreases to 20% or less of the average level of bona fide services that you performed over the immediately preceding 36-month period (or the full period of services, if you have been providing services less than 36 months), except that you will be considered to have experienced a termination of employment as a result of your becoming disabled on the date that is six months after the date on which the disability begins. Whether you have had a termination of employment will be determined by the Company in a manner consistent with the definition of "separation from service" under the default rules of Section 409A.

For these purposes, your "services" include services that you provide as an employee or as an independent contractor. In addition, in determining whether you have experienced a termination of employment, the Company is obligated to take into account services you provide both for it and for any other corporation that is a member of the same "controlled group" of corporations as the Company under Section 414(b) of the Internal Revenue Code or any other trade or business (such as a partnership) which is under common control with the Company as determined under Section 414(c) of the Internal Revenue Code, in each case as modified under the default rules of Section 409A. In general, this means that the Company will consider as services to the Company services you provide to any corporation or other entity which controls, is controlled by, or is under

common control with CBS Corporation. "Control" means, directly or indirectly, possessing at least 50% of the total value of the equity interests of an entity or, in the case of a corporation, possessing at least 50% of the total voting power.

3. Timing of Post-Termination Payments and Benefits. Unless otherwise specified herein, subject to paragraph 3(d) of this Amendment, and further subject to your compliance with paragraph 5 of this Amendment (if applicable), for any payments that are required to be made or benefits that are required to be provided under your Agreement following the termination of your employment, to the extent that your Agreement does not already provide a payment schedule that is in compliance with Section 409A, or if your Agreement provides for a choice regarding the time or form of payment (e.g., lump sum or payable over time in equal installments), then:

(a) Any annual bonus or pro-rated annual bonus to which you are entitled under your Agreement (whether for the year in which your termination of employment occurs or any subsequent year) (other than any amount described in paragraph 4) will be paid in a lump sum between January 1 and February 28 of the calendar year following the calendar year as to which the bonus is payable.

(b) The total amount of all Salary continuation payments (other than any amount described in paragraph 4 below) (your "Total Separation Pay"), shall be paid, less applicable withholding taxes, as follows:

(i) beginning on the regular payroll date ("Regular Payroll Date") next following the termination of your employment, you will receive your regular Salary amount per payroll period (your "Regular Payroll Amount") on your Regular Payroll Dates until the earlier of (A) the Regular Payroll Date on which you have received your Total Separation Pay or (B) the last Regular Payroll Date that occurs on or prior to March 15th of the calendar year following the calendar year in which your employment terminates;

(ii) if any of your Total Separation Pay remains unpaid, beginning with the first Regular Payroll Date after March 15th of the calendar year following the calendar year in which your employment terminates, you will receive your Regular Payroll Amount until you have received under this paragraph 3(b)(ii) the lesser of (A) the remainder of your Total Separation Pay or (B) an amount equal to the maximum amount permitted to be paid pursuant to Treasury Regulation Section 1.409A-1(b)(9)(iii)(A) (i.e., the lesser of (x) two times your annualized compensation for the calendar year preceding the calendar year of termination, or (y) two times the Section 401(a)(17) limit for the calendar year in which your termination occurs, which is $460,000 for 2008); provided, however, that in no event shall payment be made to you pursuant to this paragraph later than December 31st of the second calendar year following the calendar year in which your employment terminates; and

(iii) the balance of your Total Separation Pay, if any remains unpaid, will be paid to you by payment of your Regular Payroll Amount on your Regular Payroll Dates beginning with the Regular Payroll Date that follows the date of the final payment pursuant to paragraph 3(b)(ii) above.

(c) If any post-termination benefits coverage under a medical, dental and/or life insurance plan, or the provision of any other benefit or perquisite, results in in-kind benefits or reimbursements to you that are (x) taxable for federal income tax purposes and (y) subject to

Section 409A, then such in-kind benefits or reimbursements shall be subject to the following rules:

(i) The in-kind benefits to be provided, or the amounts to be reimbursed, shall be determined pursuant to the terms of the applicable benefit plan, policy or agreement and shall be limited to your lifetime and the lifetime of your eligible dependents.

(ii) The amounts eligible for reimbursement, or the in-kind benefits provided, during any calendar year may not affect the expenses eligible for reimbursement, or the in-kind benefits provided, in any other calendar year.

(iii) Any reimbursement of an eligible expense shall be made on or before the last day of the calendar year following the calendar year in which the expense was incurred.

(iv) Your right to an in-kind benefit or reimbursement is not subject to liquidation or exchange for cash or another benefit.

(d) Notwithstanding the foregoing, if you are a "specified employee" (within the meaning of Section 409A and determined pursuant to procedures adopted by CBS Corporation) at the time of the termination of your employment, then to the extent any amount scheduled to be paid to you during the six-month period following the termination of your employment (including, for this purpose, any equity-based incentive award that is scheduled for settlement during the six-month period following the termination of your employment) constitutes deferred compensation (within the meaning of Section 409A), such amount shall be paid to you or settled, as the case may be, on the earlier of (i) the first business day of the seventh calendar month following the calendar month in which the termination of your employment occurs or (ii) your death. The preceding sentence supersedes any similar provision in your Agreement or any other agreement that is applicable to you.

(e) To minimize the risk that the six-month delay pursuant to the preceding paragraph 3(d) will disrupt coverage under any medical, dental and/or life insurance plan in which you are entitled to participate following the termination of your employment, payments described in paragraph 3(b) that are made during the six months following the termination of your employment shall first be applied to cover any costs relating to such continued medical, dental and life insurance coverage, but only to the extent that such coverage would constitute deferred compensation for purposes of Section 409A, and thereafter shall be made in respect of other amounts or benefits owed to you.

(f) For avoidance of doubt, please note that these timing rules apply following *any* termination of employment, including termination of employment incident to non-renewal of the Agreement or as a result of your becoming disabled, unless otherwise specified herein.

4. Death. To the extent that your Agreement provides for a payment to be made as a result of your death, such payment shall be made by February 28th of the calendar year following the calendar year in which you die.

5. Release. This paragraph 5 applies if your Agreement conditions payment or the provision of benefits following the termination of your employment upon your execution of a Release. For purposes of this paragraph 5, the "Release" refers to a release in a form attached to your Agreement, or if no such release is so attached, to any form of release in use by the Company at the time of the termination of your employment. If your Agreement contains such terms, then the

Company shall not be required to commence making severance or other payments or providing benefits that are conditioned on the effectiveness of the Release, unless:

(a) if your Agreement does not specify a deadline by which you must have executed the Release and it must have become irrevocable, by 60 days following your termination of employment; or

(b) if your Agreement specifies a deadline by which you must have executed the Release and it must have become irrevocable, by such deadline;

you have executed the Release and delivered it to the Company, and the Release has become effective and irrevocable in its entirety; provided, however, that if such deadline falls in the calendar year following the calendar year in which your employment terminates, payments shall commence on the later of (i) the first business day in the calendar year following the calendar year in which your employment terminates and (ii) the date on which your Release becomes effective and irrevocable in its entirety. The first installment of any such payments shall include all amounts that were not paid during the period between the termination of your employment and the date on which the Release became effective and irrevocable in its entirety.

6. Good Reason. This paragraph 6 applies if your Agreement contains a definition of "good reason." In order to terminate your employment with "good reason," you must provide the Company with a notice of termination specifying (a) the effective date of your termination and (b) the particular condition(s) that constitute "good reason" for such termination. The notice must be provided within thirty (30) days of when you knew or reasonably should have known of the initial existence of the condition(s) that are purported to constitute "good reason," and must state a proposed date of the termination of your employment that is at least thirty (30) days after the date of the notice of your intent to terminate with "good reason," during which time the Company shall be given the opportunity to cure any basis for such "good reason." If no cure is timely effected, then your termination with "good reason" shall be effective as of the date of termination you specified in the notice of termination. If a cure is timely effected, your resignation for "good reason" shall not be effective at that time. The foregoing notice and cure provision shall supersede the notice and cure provision in your Agreement, if any.

7. Severance Plan Adjustment. In the event that you are entitled to any election between severance options (e.g., a choice between amounts available under a severance plan and your severance entitlement under the Agreement), then the amounts, but not the time or form of payment, of your severance entitlement under the Agreement shall automatically be adjusted to equal whichever is the greater amount in the aggregate of such severance options. The time and form of payment shall continue as specified in the terms of your Agreement or as amended by this Amendment.

8. No Offsets. If your Agreement gives the Company the right to reduce or otherwise offset against amounts owed to you in order to satisfy any obligations you owe the Company, such provision is modified to provide that the Company shall not make any deductions for money or property that you owe to the Company from amounts that constitute deferred compensation for purposes of Section 409A, except for applicable withholding taxes on such amounts and otherwise only to the extent that such deduction would not cause any person to incur any tax, interest or penalties under Section 409A.

9. Designation of Separate Payments. If, under any provision of your Agreement, you become entitled to be paid Salary continuation, bonus payments, or any other type of payment or benefit, then each payment or benefit shall be considered, and is hereby designated as, a separate payment for purposes of Section 409A (and consequently your entitlement to such payment or benefit shall not be considered an entitlement to a single payment of the aggregate amount to be paid).

10. General Reimbursements. If your Agreement provides for reimbursements that constitute deferred compensation for purposes of Section 409A, in no event shall the reimbursements be paid later than the last day of the calendar year following the year in which the related expense was incurred.

11. Section 409A. To the extent applicable, it is intended that the compensation arrangements under the Agreement be in full compliance with Section 409A. The Agreement shall be construed in a manner to give effect to such intention. In no event whatsoever (including, but not limited to, as a result of this section or otherwise) shall the Company be liable for any tax, interest or penalties that may be imposed on you under Section 409A. Neither the Company nor any of its affiliates shall have any obligation to indemnify or otherwise hold you harmless from any or all such taxes, interest or penalties, or liability for any damages related thereto. You acknowledge that you have been advised to obtain independent legal, tax or other counsel in connection with Section 409A.

12. Additional modifications to the terms and conditions of your Agreement, if any, which are required for compliance with Section 409A are set forth on the attached Exhibit A.

13. Except as otherwise provided herein, your Agreement shall continue in full force and effect in accordance with its terms.

AMENDMENT NO. 1 TO THE CBS EXCESS 401(K) PLAN FOR DESIGNATED SENIOR EXECUTIVES PART B – AMENDMENT AND RESTATEMENT AS OF JANUARY 1, 2009 (THE "PLAN")

Except as otherwise noted herein, the following amendments shall be effective as of January 1, 2009.

1. The Plan is hereby amended by deleting each occurrence of the term "this Plan" and inserting in place thereof the term "the Plan".

2. Section 2.9 of the Plan is hereby amended to delete the term "Long-Term Performance Plan" and to insert in place thereof the words "long-term incentive plans".

3. Section 2.14 of the Plan is hereby amended to insert the phrase ", except as provided in Section 3.2(b)," immediately following the word "means".

4. Section 2.15 of the Plan is hereby amended to delete the word "and" immediately prior to subsection (ii) thereof and to insert the word "who" as the first word in each of subsections (ii) and (iii) thereof.

5. Section 2.20 of the Plan is hereby amended to delete the cross-reference to Section 7.1(b) and to insert in place thereof a cross-reference to Section 7.1.

6. Section 2.21 of the Plan is hereby amended to delete the cross-reference to Section 7.1(b)(ii) and to insert in place thereof a cross-reference to Section 7.1.

7. Section 2.25 of the Plan is hereby amended to delete the phrase "as set forth herein, and" and to add at the end thereof a new sentence as follows:

> "References to "the Plan" shall be considered references to Part A and/or Part B of the Plan as context requires."

8. Section 2.29 of the Plan is hereby amended to (1) delete the phrases "an Employee who is" and "in the Plan" in the first sentence thereof, (2) delete the third and fourth occurrences of the word "Employee" and to insert in place thereof the word "employee", (3) delete the second, fifth, seventh and eighth occurrences of the word "Employee" and insert in place thereof the word "Participant" and (4) delete the sixth and ninth occurrences of the word "Employee" as well as the word "an" immediately preceding each such occurrence and to insert in place thereof the words "a Participant".

9. Section 3.1 is hereby amended to insert the words "or its delegee" immediately following the word "Committee."

10. Section 3.2(b) of the Plan is hereby amended to (1) delete the word "shall" the first time it appears and insert the word "must" in place thereof and (2) insert the words "portion of the" immediately prior to the word "calendar" in the second sentence thereof and to add at the end thereof a new sentence as follows:

> "If an Eligible Employee is a participant in another account balance plan that is required to be aggregated with the Plan under Code Section 409A when he first become eligible to participate in the Plan, such Eligible Employee shall be eligible to make a Deferral Election for the calendar year immediately following the calendar year of his initial eligibility by making an election in accordance with Section 3.2(a) above."

11. Section 3.3 of the Plan is hereby amended to delete the term "Participant's" and to insert in place thereof the term "Eligible Employee's".

12. Section 6.1 of the Plan is hereby amended to delete the phrase "prior to January 1, 2005" and to insert in place thereof the phrase "on or before October 3, 2004".

13. Section 6.2 of the Plan is hereby amended to insert the word "Excess" immediately prior to the words "Salary Reduction Contributions".

14. Sections 6.2(b) and 6.2(c) of the Plan are hereby amended to delete such sections in their entirety and to insert in place thereof the following:

> "(b) If a Participant elects (or is deemed to elect) to have his Post-2004 Subaccount distributed in a single lump sum, the Participant's Post-2004 Subaccount shall be credited with earnings based on the

rate of return in the Fixed Income Fund (or any successor fund) beginning January 1st of the calendar year following the calendar year in which the Participant experiences a Separation from Service that results in the Participant's Post-2004 Subaccount becoming payable, and continuing through the date upon which such single lump sum payment is determined, if such determination date is after December 31st of the calendar year in which the Participant experiences a Separation from Service. Payments due on January 31st of a calendar year are determined on the previous December 31st, while payments due on the first business day of a calendar month are determined on the last day of the second preceding calendar month (e.g., a payment scheduled for the first business day of March will be determined on the preceding January 31st).

(c) If a Participant elects to have his Post-2004 Subaccount distributed in Annual Payments, the Participant's Past-2004 Subaccount shall be credited with earnings based on the rate of return in the Fixed Income Fund (or any successor fund) beginning January 1st of the calendar year following the calendar year in which the Participant experiences a Separation from Service that results in the Participant's Post-2004 Subaccount becoming payable, and continuing through the date upon which such Annual Payment is determined, if such determination date is after December 31st of the calendar year in which the Participant experiences a Separation from Service. Payments due on January 31st of a calendar year are determined on the previous December 31st, while payments due on the first business day of a

calendar month are determined on the last day of the second preceding calendar month (e.g., a payment scheduled for the first business day of March will be determined on the preceding January 31st)."

15. Section 7.1 of the Plan is hereby amended to (1) delete the words "end of the" immediately prior to the second occurrence of the words "calendar year" in subsection (ii) thereof, (2) delete the word "elected" in subsection (iv) thereof and to insert in place thereof the phrase "made a Joint Payment Option Election" and (3) insert the phrase "his Post-2004 Subaccount in" immediately following the words "to receive" in subsection (iv) thereof.

16. Section 7.3 of the Plan is hereby amended to (1) insert the phrase "or after his Separation from Service but prior to the distribution of his entire Post-2004 Subaccount," immediately following the first occurrence of the term "Separation from Service," and (2) insert at the end thereof a new sentence as follows:

"The Participant's Post-2004 Subaccount shall continue to be credited with earnings in accordance with Section 6.2 until his entire Post-2004 Subaccount is distributed."

17. Section 9 of the Plan is hereby amended to delete each occurrence of the term "Account" and to insert in place thereof the term "Post-2004 Subaccount."

18. Section 14.4 of the Plan is hereby amended to delete the word "CBS" in the last sentence thereof and to insert in place thereof the term "the Company".

AMENDMENT NO. 1 TO THE CBS BONUS DEFERRAL PLAN FOR DESIGNATED SENIOR EXECUTIVES PART B – AMENDMENT AND RESTATEMENT AS OF JANUARY 1, 2009 (THE "PLAN")

Except as otherwise noted herein, the following amendments shall be effective as of January 1, 2009.

1. The Plan is hereby amended by deleting each occurrence of the term "this Plan" and inserting in place thereof the term "the Plan".

2. Section 1.2 of the Plan is hereby amended to delete the words "on or before" in the second sentence thereof and to insert in place thereof the words "prior to".

3. Section 1.4 of the Plan is hereby amended to delete the word "bonuses" and to insert in place thereof the term "Bonuses" and to delete the phrase "paid under the CBS Corporation Short Term Incentive Plan and any other comparable annual cash bonus plan sponsored by any Employer".

3. Section 2.4 of the Plan is hereby amended to delete the words "shall mean" and to insert in place thereof the word "means".

4. Section 2.8 of the Plan is hereby amended to delete the word "CBS".

5. The Plan is hereby amended to insert a new section 2.13 as follows, and to re-designate subsequent sections accordingly:

> "2.13 The term "Election Agreement" is defined in Section 3.1(d)."

6. Re-designated Section 2.16 of the Plan is hereby amended to delete the cross-reference to Section 2.25 and to insert in place thereof a cross-reference to Section 2.26.

7. Re-designated Section 2.18 of the Plan is hereby amended to delete the cross-reference to Section 5.1(b) and to insert in place thereof a cross-reference to Section 5.1.

8. Re-designated Section 2.22 of the Plan is hereby amended to (1) delete the phrase "as set forth herein" and (2) add at the end thereof a new sentence as follows:

> "References to "the Plan" shall be considered references to Part A and/or Part B of the Plan as context requires."

9. Re-designated Section 2.26 of the Plan is hereby amended to (1) delete the phrases "an Employee who is" and "in the Plan" in the first sentence thereof, (2) delete the third and fourth occurrences of the word "Employee" and to insert in place thereof the word "employee", (3) delete the second, fifth, seventh and eighth occurrences of the word "Employee" and insert in place thereof the word "Participant", (4) delete the sixth and

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ninth occurrences of the word "Employee" as well as the word "an" immediately preceding each such occurrence and to insert in place thereof the words "a Participant", (5) delete each cross-reference to Section 2.25 and to insert in place thereof a cross-reference to Section 2.26 and (6) delete the cross-reference to Section 2.15 and to insert in place thereof a cross-reference to Section 2.16.

10. Re-designated Section 2.28 is hereby amended to delete the cross-reference to Section 2.27 and to insert in place thereof a cross-reference to Section 2.28.

11. Section 3.1(c) of the Plan is hereby amended to (1) delete the phrase "for a calendar year beginning on or after January 1, 2005 in which an employee first becomes an Eligible Employee under this Plan or any other account balance plan maintained by an Employer that is required to be aggregated with this Plan under Code Section 409A, such Eligible Employee" and to insert in place thereof the phrase "an employee who first becomes an Eligible Employee during the course of a calendar year beginning on or after January 1, 2005", (2) delete the cross-reference to Section 2.25 and to insert in place thereof a cross-reference to Section 2.26 and (3) delete "earned for the remainder of the year in which the election is made and" immediately following "Bonus" in the second sentence thereof.

12. Section 3.2 of the Plan is hereby amended to delete the term "Participant's" and to insert in place thereof the term "Eligible Employee's".

13. Sections 4.2(b) and 4.2(c) of the Plan are hereby amended to delete such sections in their entirety and to insert in place thereof the following:

"(b) If a Participant elects (or is deemed to elect) to have his Post-2004 Subaccount distributed in a single lump sum, the Participant's Post-2004 Subaccount shall be credited with earnings based on the rate of return in the Fixed Income Fund (or any successor fund) beginning January 1st of the calendar year following the calendar year in which the Participant experiences a Separation from Service that results in the Participant's Post-2004 Subaccount becoming payable, and continuing through the date upon which such single lump sum payment is determined, if such determination date is after December 31st of the calendar year in which the Participant experiences a Separation from Service. Payments due on January 31st of a calendar year are determined on the previous December 31st, while payments due on the first business day of a calendar month are determined on the last day of the second preceding calendar month (e.g., a payment scheduled for the first business day of March will be determined on the preceding January 31st).

(c) If a Participant elects to have his Post-2004 Subaccount distributed in Annual Payments, the Participant's Past-2004 Subaccount shall be credited with earnings based on the rate of return in the Fixed Income Fund (or any successor fund) beginning January 1st of the calendar year following the calendar year in which the Participant experiences a Separation from Service that results in the Participant's

Post-2004 Subaccount becoming payable, and continuing through the date upon which such Annual Payment is determined, if such determination date is after December 31st of the calendar year in which the Participant experiences a Separation from Service. Payments due on January 31st of a calendar year are determined on the previous December 31st, while payments due on the first business day of a calendar month are determined on the last day of the second preceding calendar month (e.g., a payment scheduled for the first business day of March will be determined on the preceding January 31st)."

14. Section 5.1 of the Plan is hereby amended to (1) delete the word "election" immediately following the term "Joint Payment Option" in subsection (b)(i) thereof and to insert in place thereof the term "Joint Payment Option Election", (2) delete the word "elects" in subsection (b)(ii) thereof and to insert in place thereof the phrase "makes a Joint Payment Option Election", (3) delete the word "the" immediately following the word "Alternatively," in the last sentence of subsection (iii) thereof and to insert in place thereof the word "a" and (4) to insert the word "under" immediately prior to the words "Plan or" in subsection (iv) thereof.

15. Section 5.3 of the Plan is hereby amended to (1) insert the phrase "or after his Separation from Service but prior to the distribution of his entire Post 2004 Subaccount," immediately following the first occurrence of the term "Separation from Service," and (2) insert at the end thereof a new sentence as follows:

"The Participant's Post-2004 Subaccount shall continue to be credited with earnings in accordance with Section 6.2 until his entire Post-2004 Subaccount is distributed."

16. Section 6 of the Plan is hereby amended to insert the word "sole" immediately prior to the words "discretion of the Committee" in the fourth sentence thereof.

17. Section 7 of the Plan is amended to delete the word "Account" and to insert in place thereof "Post-2004 Subaccount".

18. Sections 9.1 and 9.2 of the Plan is hereby amended to delete such sections in their entirety and to insert in place thereof the following:

"9.1 *Committee*. The Plan shall be administered by the Committee. The Committee shall have sole and absolute discretion to interpret, where necessary, the provisions of the Plan (including, without limitation, by supplying omissions from, correcting deficiencies in, or resolving inconsistencies or ambiguities in, the language of the Plan), to determine the rights and status under the Plan of any Participant and other persons, to resolve questions or disputes arising under the Plan and to make any determinations with respect to the benefits hereunder

and the persons entitled thereto as may be necessary for the purposes of the Plan.

9.2 *Powers of the Committee*. In furtherance of, but without limiting, Section 9.1, the Committee shall have the following specific authorities, which it shall discharge in its sole and absolute discretion in accordance with the terms of the Plan (as interpreted, to the extent necessary, by the Committee):

(i) to determine who are Eligible Employees for purposes of participation in the Plan;

(ii) to interpret the terms and provisions of the Plan and to determine any and all questions arising under the Plan, including, without limitation, the right to remedy possible ambiguities, inconsistencies, or omissions by a general rule or particular decision;

(iii) to adopt rules consistent with the Plan;

(iv) to approve certain amendments to the Plan;

(v) to determine the amounts payable to any person under the Plan; and

(vi) to conduct the claims procedure specified in Section 9.3."

Exhibit 12

CBS CORPORATION AND SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(Tabular dollars in millions, except ratios)

	Three Months Ended March 31,		Twelve Months Ended December 31,				
	2010	2009	2009	2008	2007	2006	2005
Earnings (loss) from continuing operations before income taxes and equity in earnings (loss) of investee companies	$5.8	($35.3)	$443.0	($12,575.1)	$2,133.0	$2,132.7	($7,564.4)
Add:							
Distributions from investee companies	—	1.5	2.3	5.8	7.7	8.9	9.5
Interest expense, net of capitalized interest	138.0	133.2	542.0	546.3	570.1	564.5	719.6
1/3 of rental expense	47.4	45.5	205.7	215.8	193.4	160.9	137.2
Total Earnings (loss)	$191.2	$144.9	$1,193.0	($11,807.2)	$2,904.2	$2,867.0	($6,698.1)
Fixed charges:							
Interest expense, net of capitalized interest	$138.0	$133.2	$542.0	$546.3	$570.1	$564.5	$719.6
1/3 of rental expense	47.4	45.5	205.7	215.8	193.4	160.9	137.2
Total fixed charges	$185.4	$178.7	$747.7	$762.1	$763.5	$725.4	$856.8
Ratio of earnings to fixed charges	1.0x	Note a	1.6x	Note b	3.8x	4.0x	Note b

Note:
(a) Earnings are inadequate to cover fixed charges by $33.8 million for the three months ended March 31, 2009.
(b) Earnings are inadequate to cover fixed charges by $12.57 billion in 2008 and $7.55 billion in 2005 due to the non-cash impairment charges of $14.18 billion in 2008 and $9.48 billion in 2005.

Exhibit 31(a)

CERTIFICATION

I, Leslie Moonves, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CBS Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2010

/s/ Leslie Moonves

Leslie Moonves
President and Chief Executive Officer

Exhibit 31(b)

CERTIFICATION

I, Joseph R. Ianniello, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CBS Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2010

/s/ Joseph R. Ianniello
Joseph R. Ianniello
Executive Vice President and
Chief Financial Officer

Exhibit 32(a)

Certification Pursuant to 18 U.S.C. Section 1350,
as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of CBS Corporation (the “Company”) on Form 10-Q for the period ended March 31, 2010 as filed with the Securities and Exchange Commission (the “Report”), I, Leslie Moonves, President and Chief Executive Officer of the Company, certify that to my knowledge:

1. the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Leslie Moonves
Leslie Moonves
May 5, 2010

Exhibit 32(b)

Certification Pursuant to 18 U.S.C. Section 1350,
as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of CBS Corporation (the "Company") on Form 10-Q for the period ended March 31, 2010 as filed with the Securities and Exchange Commission (the "Report"), I, Joseph R. Ianniello, Chief Financial Officer of the Company, certify that to my knowledge:

1. the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Joseph R. Ianniello
Joseph R. Ianniello
May 5, 2010