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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2007

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

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 is a large accelerated filer, an accelerated filer or a non-accelerated filer. (See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act).

Large accelerated filer ☒   Accelerated filer o   Non-accelerated filer 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 October 31, 2007:

Class A Common Stock, par value $.001 per share—59,582,073

Class B Common Stock, par value $.001 per share—625,461,052

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 September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Revenues	$ 3,281.4	$ 3,378.8	$ 10,314.1	$ 10,437.3
Expenses:				
Operating	1,855.0	1,921.9	6,092.8	6,123.6
Selling, general and administrative	668.8	701.0	1,967.8	2,062.7
Depreciation and amortization	111.8	109.5	336.5	326.1
Total expenses	2,635.6	2,732.4	8,397.1	8,512.4
Operating income	645.8	646.4	1,917.0	1,924.9
Interest expense	(141.7)	(140.1)	(427.0)	(425.2)
Interest income	30.0	41.4	103.1	72.5
Loss on early extinguishment of debt	—	—	—	(6.0)
Other items, net	(8.3)	(9.2)	(5.5)	(27.3)
Earnings from continuing operations before income taxes, equity in loss of affiliated companies and minority interest	525.8	538.5	1,587.6	1,538.9
Provision for income taxes	(172.5)	(208.4)	(610.4)	(487.6)
Equity in loss of affiliated companies, net of tax	(13.0)	(6.1)	(19.8)	(3.1)
Minority interest, net of tax	(.1)	(.4)	.3	(.3)
Net earnings from continuing operations	340.2	323.6	957.7	1,047.9
Discontinued operations (Note 4):				
Earnings (loss) from discontinued operations before income taxes	(17.0)	—	(17.0)	453.5
(Provision) benefit for income taxes	20.1	(6.7)	20.1	(175.9)
Net earnings (loss) from discontinued operations	3.1	(6.7)	3.1	277.6
Net earnings	$ 343.3	$ 316.9	$ 960.8	$ 1,325.5
Basic earnings per common share:				
Net earnings from continuing operations	$ .48	$ .42	$ 1.32	$ 1.37
Net earnings (loss) from discontinued operations	$ —	$ (.01)	$ —	$ .36
Net earnings	$ .49	$ .41	$ 1.32	$ 1.73
Diluted earnings per common share:				
Net earnings from continuing operations	$ .48	$ .42	$ 1.30	$ 1.36
Net earnings (loss) from discontinued operations	$ —	$ (.01)	$ —	$ .36
Net earnings	$ .48	$ .41	$ 1.30	$ 1.72
Weighted average number of common shares outstanding:				
Basic	707.1	766.0	728.0	764.5
Diluted	715.4	774.2	736.5	770.2
Dividends per common share	$ ..25	$ ..20	$ ..69	$ ..54

See notes to consolidated financial statements.

CBS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(Unaudited; in millions, except per share amounts)

	At September 30, 2007	At December 31, 2006
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 1,226.0	$ 3,074.6
Receivables, less allowances of $147.5 (2007) and $152.6 (2006)	2,592.9	2,824.0
Programming and other inventory (Note 6)	792.2	982.9
Deferred income tax assets, net	307.7	307.7
Prepaid expenses and other current assets	664.3	757.3
Current assets of discontinued operations (Note 4)	160.2	197.6
Total current assets	5,743.3	8,144.1
Property and equipment:		
Land	338.7	343.7
Buildings	638.7	582.3
Capital leases	215.9	207.3
Advertising structures	1,738.2	1,619.0
Equipment and other	1,650.1	1,522.3
	4,581.6	4,274.6
Less accumulated depreciation and amortization	1,737.1	1,460.8
Net property and equipment	2,844.5	2,813.8
Programming and other inventory (Note 6)	1,645.9	1,665.6
Goodwill (Note 5)	19,081.5	18,821.5
Intangible assets (Note 5)	10,240.4	10,425.0
Other assets	1,465.2	1,553.2
Assets of discontinued operations (Note 4)	80.9	85.6
Total Assets	$ 41,101.7	$ 43,508.8
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 375.6	$ 502.3
Accrued compensation	301.2	375.3
Participants' share and royalties payable	614.3	767.5
Program rights	974.9	906.9
Current portion of long-term debt (Note 8)	19.8	15.0
Accrued expenses and other current liabilities	1,953.5	1,813.8
Current liabilities of discontinued operations (Note 4)	23.9	18.7
Total current liabilities	4,263.2	4,399.5
Long-term debt (Note 8)	7,035.9	7,027.3
Pension and postretirement benefit obligations	1,989.3	1,993.3
Deferred income tax liabilities, net	2,372.3	2,310.7
Other liabilities	3,628.1	3,595.6
Liabilities of discontinued operations (Note 4)	613.7	658.9
Commitments and contingencies (Note 12)		
Minority interest	1.1	1.0
Stockholders' Equity:		
Class A Common Stock, par value $.001 per share; 375.0 shares authorized; 59.9 (2007) and 61.5 (2006) shares issued	.1	.1
Class B Common Stock, par value $.001 per share; 5,000.0 shares authorized; 726.4 (2007) and 715.5 (2006) shares issued	.7	.7
Additional paid-in capital	44,228.0	44,259.3
Accumulated deficit	(19,211.0)	(20,175.9)
Accumulated other comprehensive loss (Note 1)	(116.4)	(246.3)
	24,901.4	23,837.9
Less treasury stock, at cost; 114.7 (2007) and 8.6 (2006) Class B Shares	3,703.3	315.4
Total Stockholders' Equity	21,198.1	23,522.5
Total Liabilities and Stockholders' Equity	$ 41,101.7	$ 43,508.8

See notes to consolidated financial statements.

CBS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited; in millions)

	Nine Months Ended September 30,	
	2007	**2006**
Operating Activities:		
Net earnings	$ 960.8	$ 1,325.5
Less: Net earnings from discontinued operations	3.1	277.6
Net earnings from continuing operations	957.7	1,047.9
Adjustments to reconcile net earnings from continuing operations to net cash flow provided by operating activities:		
Depreciation and amortization	336.5	326.1
Stock-based compensation	80.8	51.7
Equity in loss of affiliated companies, net of tax	19.8	3.1
Distributions from affiliated companies	4.9	9.8
Change in assets and liabilities, net of effects of acquisitions	491.4	380.2
Net cash flow provided by operating activities from continuing operations	1,891.1	1,818.8
Net cash flow from (used for) operating activities attributable to discontinued operations	4.8	(74.0)
Net cash flow provided by operating activities	1,895.9	1,744.8
Investing Activities:		
Capital expenditures	(302.2)	(195.7)
Acquisitions, net of cash acquired	(329.1)	(75.3)
Proceeds from dispositions	346.3	1,262.9
Investments in and advances to affiliated companies	(20.9)	(48.6)
Net receipts from Viacom Inc. related to the Separation	174.9	28.4
Other, net	(1.2)	(.8)
Net cash flow (used for) provided by investing activities from continuing operations	(132.2)	970.9
Net cash flow used for investing activities attributable to discontinued operations	—	(34.5)
Net cash flow (used for) provided by investing activities	(132.2)	936.4
Financing Activities:		
Repayment of notes	(660.0)	(832.0)
Proceeds from issuance of notes	678.0	—
Borrowings from (repayments to) banks, including commercial paper, net	1.9	(4.5)
Payment of capital lease obligations	(12.6)	(10.9)
Purchase of Company common stock	(3,351.3)	(6.1)
Dividends	(472.4)	(365.8)
Proceeds from exercise of stock options	195.2	58.0
Excess tax benefit from stock-based compensation	8.9	1.4
Net cash flow used for financing activities	(3,612.3)	(1,159.9)
Net (decrease) increase in cash and cash equivalents	(1,848.6)	1,521.3
Cash and cash equivalents at beginning of period	3,074.6	1,655.3
Cash and cash equivalents at end of period	$ 1,226.0	$ 3,176.6
Supplemental disclosure of cash flow information		
Cash paid for interest	$ (432.4)	$ (432.7)
Cash paid for income taxes	$ (427.9)	$ (559.4)
Non-cash investing and financing activities:		
Non-cash purchase of Company common stock (Note 3)	$ (64.0)	$ —
Equipment acquired under capitalized leases	$ 9.6	$ .1
Acquisition of CSTV Networks:		
Fair value of assets acquired	$ —	$ 350.3
Fair value of liabilities assumed	—	(30.3)
Cash paid, net of cash acquired	—	(47.3)
Impact on Stockholders' Equity	$ —	$ 272.7

See notes to consolidated financial statements.

1) 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: Television (CBS Television, comprised of the CBS Network, television stations, and its television production and syndication operations; Showtime Networks; and CSTV Networks), Radio (CBS Radio), Outdoor (CBS Outdoor) and Publishing (Simon & Schuster). During 2006, the Company sold Paramount Parks to Cedar Fair, L.P. for $1.24 billion in cash. As a result, Paramount Parks is presented as a discontinued operation in the consolidated financial statements.

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, 2006.

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 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 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 per Common Share—Basic earnings per share ("EPS") is based upon net earnings divided by the weighted average number of common shares outstanding during the period. Diluted EPS reflects the effect of the assumed vesting of restricted shares and restricted stock units ("RSUs") and the assumed exercise of stock options only in the periods in which such effect would have been dilutive. For both the three and nine months ended September 30, 2007, stock options to purchase 11.7 million shares of CBS Corp. Class B Common Stock were outstanding but excluded from the calculation of diluted EPS because their inclusion would have been anti-dilutive. For the three and nine months ended September 30, 2006, respectively, stock options to purchase 32.8 million and 36.6 million shares of CBS Corp. Class B Common Stock were outstanding but excluded from the calculation of diluted EPS because their inclusion would have been anti-dilutive.

The table below presents a reconciliation of weighted average shares used in the calculation of basic and diluted EPS:

(in millions)	Three Months Ended September 30, 2007	Three Months Ended September 30, 2006	Nine Months Ended September 30, 2007	Nine Months Ended September 30, 2006
Weighted average shares for basic EPS	707.1	766.0	728.0	764.5
Dilutive effect of shares issuable under stock-based compensation plans	8.3	8.2	8.5	5.7
Weighted average shares for diluted EPS	715.4	774.2	736.5	770.2

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

	Three Months Ended September 30, 2007	Three Months Ended September 30, 2006	Nine Months Ended September 30, 2007	Nine Months Ended September 30, 2006
Net earnings	$ 343.3	$ 316.9	$ 960.8	$ 1,325.5
Other comprehensive income (loss), net of tax:				
Cumulative translation adjustments	63.1	7.0	114.1	52.2
Adjustment for amortization of actuarial losses and prior service costs	5.3	—	16.1	—
Minimum pension liability adjustment	—	13.6	—	15.9
Net unrealized gain (loss) on securities	(.6)	1.1	(.6)	.8
Change in fair value of cash flow hedges	(.1)	—	.3	—
Other comprehensive income from discontinued operations, net of tax	—	—	—	17.5
Total comprehensive income	$ 411.0	$ 338.6	$ 1,090.7	$ 1,411.9

Other Liabilities—Other liabilities consist primarily of residual liabilities of previously disposed businesses, program rights, participation liabilities, deferred compensation and other employee benefit accruals.

Additional Paid-In Capital—For the nine months ended September 30, 2007 and 2006, the Company recorded dividends of $495.8 million and $413.1 million, respectively, as a reduction to additional paid-in capital as the Company had an accumulated deficit balance.

Company Common Stock Held by Subsidiaries—In connection with a restructuring of the Company's international subsidiaries, certain wholly owned subsidiaries hold 179.3 million shares of CBS Corp. Class B Common Stock, of which 47.3 million shares were repurchased through an accelerated share repurchase transaction and 132.0 million shares were issued by the Company to wholly owned subsidiaries. The 47.3 million repurchased shares are reflected as treasury shares and the 132.0 million shares are eliminated in consolidation.

Adoption of New Accounting Standards—Effective January 1, 2007, the Company adopted Financial Accounting Standards Board ("FASB") Interpretation No. 48, "Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109" ("FIN 48"). FIN 48 clarifies the accounting for uncertainty in income taxes by prescribing a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. In addition, FIN 48 provides guidance on derecognition of income tax positions, classification of income tax liabilities, accounting for interest and penalties associated with unrecognized tax benefits, accounting for uncertain tax positions in interim periods, and income tax disclosures. The adoption of FIN 48 on January 1, 2007 did not have a material impact on the Company's consolidated financial statements. See Note 11 for additional information.

(Tabular dollars in millions, except per share amounts)

Recent Pronouncements—In February 2007, the FASB issued Statement of Financial Accounting Standards ("SFAS") No. 159 "The Fair Value Option for Financial Assets and Financial Liabilities—Including an amendment of FASB Statement No. 115" ("SFAS 159") effective as of the beginning of the first fiscal year that begins after November 15, 2007. SFAS 159 permits entities to choose to measure many financial instruments and certain other items at fair value. The Company is currently evaluating the impact of the adoption of SFAS 159 on the consolidated financial statements.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements" ("SFAS 157"), effective for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. SFAS 157 establishes a framework for measuring fair value under generally accepted accounting principles and expands disclosures about fair value measurements. The Company is currently evaluating the impact of the adoption of SFAS 157 on the consolidated financial statements.

2) STOCK-BASED COMPENSATION

The following table summarizes the Company's stock-based compensation expense for the three and nine months ended September 30, 2007 and 2006.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Stock options	$ 1.6	$ 3.2	$ 7.0	$ 18.2
RSUs and restricted shares	27.7	17.7	73.8	33.5
Total stock-based compensation	$ 29.3	$ 20.9	$ 80.8	$ 51.7

During the nine months ended September 30, 2007, the Company granted 4.2 million RSUs with a weighted average per unit grant date fair value of $31.34. RSU grants during 2007 vest over a one- to four-year service period. RSUs granted to certain executives are also subject to satisfying performance and/or market conditions. The number of shares that will be issued upon vesting of RSUs with market conditions is tied to the achievement of certain levels of total shareholder return for CBS Corp. Class B Common Stock as compared to the S&P 500 index and, in certain circumstances, is also subject to achieving operating performance goals. During the nine months ended September 30, 2007, the Company also granted 3.8 million stock options and stock option equivalents with a weighted average exercise price of $30.52. Stock option grants during 2007 generally vest over a three- to four-year service period.

Total unrecognized compensation cost related to unvested restricted shares and RSUs at September 30, 2007 was $206.3 million, which is expected to be expensed over a weighted average period of 2.50 years. Total unrecognized compensation cost related to unvested stock option awards and stock option equivalents at September 30, 2007 was $28.8 million, which is expected to be expensed over a weighted average period of 2.92 years.

3) ACQUISITIONS AND DISPOSITIONS

On May 30, 2007, the Company acquired Last.fm, a global, community-based, music discovery network, for approximately $280 million. Last.fm has been included as part of the Television segment since the date of acquisition. The excess purchase price over the fair value of the tangible and identifiable intangible net assets acquired was allocated to goodwill. The final allocation of the purchase price will be based on an evaluation of the fair value of the assets acquired and liabilities assumed.

On April 16, 2007, the Company completed an exchange agreement with Liberty Media Corporation under which the stock of a subsidiary of the Company which held CBS Corp.'s Green Bay television station and its satellite television station, valued at $64.0 million, and $169.8 million in cash was exchanged for the 7.6 million shares of CBS Corp. Class B Common Stock held by Liberty Media Corporation. In connection with the exchange, the Company recorded a pre-tax gain of $14.6 million in "Other items, net" on the Consolidated Statement of Operations for the nine months ended September 30, 2007.

On April 4, 2007, the Company completed the acquisition of MaxPreps, Inc., an online high school sports network, for $43.0 million. MaxPreps, Inc., has been included as part of the Television segment since the date of acquisition.

On February 26, 2007, the Company completed the sale of its television station in New Orleans for $4.3 million. On February 7, 2007, the Company announced that it entered into an agreement to sell seven of its owned television stations in Austin, Salt Lake City, Providence and West Palm Beach to Cerberus Capital Management, L.P. for approximately $185 million. This transaction is subject to FCC approval and customary closing conditions, and is expected to close in the first quarter of 2008.

During 2006, the Company entered into agreements to sell 39 radio stations in ten of its smaller markets for a total of approximately $668 million in cash. In December 2006, the Company completed the sale of five radio stations in the Buffalo market for approximately $125 million. During the nine months ended September 30, 2007, the sales of 19 radio stations in the Kansas City, Columbus, Fresno, Greensboro and San Antonio markets were completed and the Company received $281.4 million resulting in a pre-tax loss of $2.0 million included in "Other items, net" on the Consolidated Statement of Operations for the nine months ended September 30, 2007. The remaining transactions are subject to customary closing conditions, and are expected to close by early 2008.

4) DISCONTINUED OPERATIONS

During 2006, Paramount Parks was sold to Cedar Fair, L.P. for $1.24 billion in cash and as a result, Paramount Parks has been presented as a discontinued operation in the consolidated financial statements. For the three and nine months ended September 30, 2007, net earnings from discontinued operations of $3.1 million reflects adjustments to the gain on the sale of Paramount Parks.

(Tabular dollars in millions, except per share amounts)

The following table sets forth the detail of CBS Corp.'s net earnings (loss) from discontinued operations for 2006. For the three and nine months ended September 30, 2006, net earnings (loss) from discontinued operations included losses on dispositions related to the Company's aircraft leases and for the 2006 nine-month period also included the operating results and gain on the sale of Paramount Parks.

	Three Months Ended September 30, 2006	Nine Months Ended September 30, 2006
Revenues from discontinued operations	$ —	$ 158.9
Loss from discontinued operations	$ —	$ (1.3)
Gain on sale of Paramount Parks	—	454.8
Earnings from discontinued operations before income taxes	—	453.5
Provision for income taxes	(6.7)	(175.9)
Net earnings (loss) from discontinued operations	$ (6.7)	$ 277.6

Assets and liabilities of discontinued operations included on the Consolidated Balance Sheets primarily consist of aircraft leases that are generally expected to liquidate in accordance with contractual terms.

5) GOODWILL AND INTANGIBLE ASSETS

The changes in the book value of goodwill, by segment, for the nine months ended September 30, 2007 were as follows:

	At December 31, 2006	Acquisitions	Dispositions	Other(a)	At September 30, 2007
Television	$ 8,752.9	$ 339.1	$ (36.1)	$ 18.6	$ 9,074.5
Radio	5,088.6	—	(132.3)	(1.4)	4,954.9
Outdoor	4,563.9	.4	—	71.4	4,635.7
Publishing	416.1	—	—	.3	416.4
Total	$ 18,821.5	$ 339.5	$ (168.4)	$ 88.9	$ 19,081.5

(a) Primarily includes foreign currency translation adjustments and purchase price adjustments for acquisitions.

The Company's intangible assets and related accumulated amortization were as follows:

At September 30, 2007	Gross	Accumulated Amortization	Net
Intangible assets subject to amortization:			
Leasehold agreements	$ 848.7	$ (413.1)	$ 435.6
Franchise agreements	511.4	(208.7)	302.7
Other intangible assets	247.4	(144.0)	103.4
Total intangible assets subject to amortization	1,607.5	(765.8)	841.7
FCC licenses	9,386.7	—	9,386.7
Trade names	12.0	—	12.0
Total intangible assets	$ 11,006.2	$ (765.8)	$ 10,240.4

(Tabular dollars in millions, except per share amounts)

At December 31, 2006	Gross	Accumulated Amortization	Net
Intangible assets subject to amortization:			
Leasehold agreements	$ 821.9	$ (375.6)	$ 446.3
Franchise agreements	511.2	(190.2)	321.0
Other intangible assets	247.4	(133.1)	114.3
Total intangible assets subject to amortization	1,580.5	(698.9)	881.6
FCC licenses	9,531.4	—	9,531.4
Trade names	12.0	—	12.0
Total intangible assets	$ 11,123.9	$ (698.9)	$ 10,425.0

Amortization expense was $23.3 million and $24.7 million for the three months ended September 30, 2007 and 2006, respectively, and $69.5 million and $74.8 million for the nine months ended September 30, 2007 and 2006, respectively. The Company expects its aggregate annual amortization expense for existing intangible assets subject to amortization for each of the years, 2007 through 2011, to be as follows:

	2007	2008	2009	2010	2011
Amortization expense	$ 94.7	$ 95.7	$ 94.1	$ 90.4	$ 83.5

6) PROGRAMMING AND OTHER INVENTORY

	At September 30, 2007	At December 31, 2006
Program rights	$ 1,780.5	$ 2,021.0
Television:		
Released programming (including acquired libraries)	483.1	503.3
In process and other	75.1	40.1
Publishing, primarily finished goods	97.8	82.9
Other	1.6	1.2
Total programming and other inventory	2,438.1	2,648.5
Less current portion	792.2	982.9
Total non-current programming and other inventory	$ 1,645.9	$ 1,665.6

7) 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, serves as the Executive Chairman of the Board of Directors for both CBS Corp. and Viacom Inc. At September 30, 2007, NAI beneficially owned CBS Corp.'s Class A Common Stock, representing approximately 78% of the voting power of all classes of CBS Corp.'s Common Stock, and approximately 13% of CBS Corp.'s Class A Common Stock and Class B Common Stock on a combined basis.

Viacom Inc. The separation of former Viacom Inc. ("Former Viacom") into two publicly traded entities, CBS Corp. and new Viacom Inc. ("Viacom Inc.") was completed on December 31, 2005 (the "Separation").

For purposes of governing certain ongoing relationships between CBS Corp. and Viacom Inc. after the Separation, the Company and Viacom Inc. entered into various agreements including a separation agreement (the "Separation Agreement"), tax matters agreement and transition services agreement.

In accordance with the terms of the Separation Agreement, Viacom Inc. paid to the Company an estimated special dividend of $5.4 billion in December 2005, subject to adjustment. During 2006, Viacom Inc. paid to the Company the net undisputed adjustment to the special dividend of $172 million plus net interest of $3.1 million. In January 2007, CBS Corp. and Viacom Inc. resolved the remaining disputed items with respect to the special dividend and Viacom Inc. paid to the Company an additional $170 million, resulting in an aggregate adjustment to the special dividend of $342 million.

During July 2007, the Company purchased 869,145 shares of CBS Corp. Class A and Class B Common Stock from the Viacom Inc. 401(k) Plan for $29.8 million and Viacom Inc. purchased 2,823,178 shares of Viacom Inc. class A and class B common stock from the 401(k) plans sponsored by the Company for $120.0 million.

CBS Corp., through its normal course of business, is involved in transactions with companies owned by or affiliated with Viacom Inc. CBS Corp., through its Television segment, licenses its television products to Viacom Inc., primarily MTV Networks and BET. 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 $88.1 million and $33.8 million for the three months ended September 30, 2007 and 2006, respectively, and $219.7 million and $76.6 million for the nine months ended September 30, 2007 and 2006, respectively.

CBS Corp., through Showtime Networks and CBS Television, purchases motion picture programming from Viacom Inc., primarily Paramount Pictures. The costs of these purchases are initially recorded as programming inventory and amortized over the life of the contract or projected useful life of the programming. In addition, CBS Corp. places advertisements with various subsidiaries of Viacom Inc. The total purchases from these transactions were $45.4 million and $63.1 million for the three months ended September 30, 2007 and 2006, respectively, and $129.2 million and $141.1 million for the nine months ended September 30, 2007 and 2006, respectively.

(Tabular dollars in millions, except per share amounts)

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 September 30, 2007	At December 31, 2006
Amounts due from Viacom Inc.		
Receivables	$ 120.5	$ 187.2
Other assets (Receivables, noncurrent)	238.4	260.7
Total amounts due from Viacom Inc.	$ 358.9	$ 447.9
Amounts due to Viacom Inc.		
Accounts payable	$ 4.1	$ 5.2
Program rights	59.6	56.1
Other liabilities (Program rights, noncurrent)	33.9	10.7
Total amounts due to Viacom Inc.	$ 97.6	$ 72.0

Other Related Parties. The Company owned approximately 18% of Westwood One, Inc. ("Westwood One") as of September 30, 2007, which is accounted for by the Company as an equity investment. One member of Westwood One's board of directors is an officer of CBS Radio. CBS Radio receives compensation for providing management services to Westwood One pursuant to a Management Agreement, including the services of a chief executive officer who is an employee of CBS Radio and also serves as a member of Westwood One's board of directors. Westwood One and CBS Radio also are parties to a Representation Agreement (including a related News Programming Agreement, Trademark License Agreement and Technical Services Agreement) pursuant to which Westwood One operates the CBS Radio Networks and CBS Radio is paid an annual fee. The Management Agreement and Representation Agreement expire on March 31, 2009. Certain of the Company's radio stations and Westwood One have affiliation agreements pursuant to which such radio stations air programs and/or commercials supplied by Westwood One and, in return, the stations receive affiliation fees and certain programming cost reimbursements. All such agreements are collectively referred to as the "Existing Agreements." CBS Television also has arrangements with Westwood One to provide news and sports programming to Westwood One. Revenues from the Existing Agreements and these arrangements were approximately $19.5 million and $19.7 million for the three months ended September 30, 2007 and 2006, respectively, and $54.7 million and $60.5 million for the nine months ended September 30, 2007 and 2006, respectively.

On October 2, 2007, CBS Radio and Westwood One entered into definitive agreements relating to the termination, or modification and extension of the Existing Agreements (the "new agreements"). Certain of the new agreements, including the Technical Services Agreement, the News Programming Agreement, the Trademark License Agreement and the affiliation agreements, are extended for a term expiring March 31, 2017. Generally, the new agreements will have no force or effect unless and until closing takes place pursuant to the terms of the new agreements. The closing of the new agreements is subject to, among other conditions, approval by Westwood One stockholders, other than CBS Radio and its affiliates, and Westwood One's securing of new or modifying existing financing pursuant to the new agreements. The arrangements contemplated by the new agreements include, among other things, termination of the Representation Agreement and Management Agreement, which includes relinquishment of all of the Company's seats on the Westwood One board of directors and termination of the Company's outstanding warrants to acquire shares of Westwood One common stock, which are currently out-of-the-money.

(Tabular dollars in millions, except per share amounts)

8) BANK FINANCING AND DEBT

The following table sets forth the Company's long-term debt:

	At September 30, 2007	At December 31, 2006
Notes payable to banks	$ 5.2	$ 3.1
Senior debt (4.625%—8.875% due 2007—2056)	6,980.6	7,006.2
Other notes	.8	.8
Obligations under capital leases	112.1	115.2
Total debt	7,098.7	7,125.3
Less discontinued operations debt(a)	43.0	83.0
Total debt from continuing operations	7,055.7	7,042.3
Less current portion	19.8	15.0
Total long-term debt from continuing operations, net of current portion	$ 7,035.9	$ 7,027.3

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

As of September 30, 2007 and December 31, 2006, the Company's debt balances included (i) a net unamortized premium of $27.0 million and $29.1 million, respectively, and (ii) the decrease in the carrying value of the debt relating to fair value hedges of $40.9 million and $17.5 million, respectively.

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.

On May 1, 2007, the Company redeemed, at maturity, all of its outstanding 5.625% senior notes due 2007 for $700.0 million.

On March 27, 2007, CBS Corp. issued $700.0 million of 6.750% senior notes due 2056. Interest on these senior notes will be paid quarterly. The senior notes are fully and unconditionally guaranteed by CBS Operations Inc., a wholly owned subsidiary of CBS Corp., and are redeemable, at the Company's option, at any time on or after March 27, 2012, at their principal amount plus accrued interest.

All of the Company's long-term debt has been issued under fixed interest rate agreements. The Company has entered into fixed-to-floating rate swap agreements for a portion of this debt, which are designated as fair value hedges. During the first quarter of 2007, the Company entered into $700 million notional amount of fixed-to-floating rate swaps. On May 1, 2007, $700 million notional amount of interest rate swaps matured.

Credit Facility

As of September 30, 2007, the Company had a $3.0 billion revolving credit facility due December 2010 (the "Credit Facility"), primarily to support commercial paper borrowings. At September 30, 2007, the Company had no commercial paper borrowings and was in compliance with all covenants under the Credit Facility, including the requirement that the Company maintain a minimum coverage ratio. As of September 30, 2007, the remaining availability under this Credit Facility, net of outstanding letters of credit, was $2.81 billion.

(Tabular dollars in millions, except per share amounts)

9) 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 September 30,	**2007**	**2006**	**2007**	**2006**
Components of net periodic cost:				
Service cost	$ 8.7	$ 8.9	$ .4	$ .5
Interest cost	74.4	74.6	14.9	15.1
Expected return on plan assets	(69.5)	(67.1)	(.1)	(.1)
Amortization of transition obligation	—	.1	—	—
Amortization of prior service cost	.1	.2	—	(.1)
Recognized actuarial loss	8.4	18.8	.1	.2
Net periodic cost	$ 22.1	$ 35.5	$ 15.3	$ 15.6

	Pension Benefits		Postretirement Benefits	
Nine Months Ended September 30,	**2007**	**2006**	**2007**	**2006**
Components of net periodic cost:				
Service cost	$ 26.1	$ 28.4	$ 1.1	$ 1.4
Interest cost	223.2	223.1	44.7	45.2
Expected return on plan assets	(208.5)	(200.9)	(.2)	(.2)
Amortization of transition obligation	—	.1	—	—
Amortization of prior service cost	.4	.6	—	(.4)
Recognized actuarial loss	25.4	59.3	.1	.6
Settlement costs	—	7.1	—	—
Curtailment costs	—	.7	—	—
Net periodic cost	$ 66.6	$ 118.4	$ 45.7	$ 46.6

10) STOCKHOLDERS' EQUITY

On September 4, 2007, the Company announced a 14% increase in its quarterly cash dividend on CBS Corp. Class A and Class B Common Stock to $.25 per share. The total dividend was $171.5 million of which $167.9 million was paid on October 1, 2007 and $3.6 million was accrued to be paid upon vesting of restricted shares and RSUs. Year-to-date through October 1, 2007, the Company paid $640.3 million of dividends to stockholders. Dividend declarations during 2007 and 2006 were recorded as a reduction to additional paid-in capital as the Company had an accumulated deficit balance.

On September 4, 2007, the Company announced a stock repurchase program under which the Company repurchased approximately 50.7 million shares of CBS Corp. Class B Common Stock for $1.62 billion, including fees and subject to adjustment, through an accelerated share repurchase ("ASR") transaction. In the first quarter of 2007, the Company announced a stock repurchase program under which the Company repurchased 47.3 million shares of CBS Corp. Class B Common Stock for $1.52 billion, including fees and adjustment, through an ASR transaction.

For the nine months ended September 30, 2007, the Company repurchased 106.9 million shares of CBS Corp. Common Stock for $3.42 billion, including fees and subject to adjustment.

11) PROVISION FOR INCOME TAXES

The provision for income taxes represents federal, state and local, and foreign income taxes on earnings from continuing operations before income taxes, equity in loss of affiliated companies and minority interest.

For the third quarter of 2007, the Company's effective income tax rate decreased to 32.8% from 38.7% for the third quarter of 2006, due primarily to lower state and foreign income taxes in 2007. For the nine months ended September 30, 2007, the Company's effective income tax rate of 38.4% increased from 31.7% for the same prior-year period, reflecting the absence of 2006 tax benefits of $132.9 million from income tax settlements and the tax impact of the 2007 station divestitures, partially offset by lower state and foreign income taxes in 2007. The provision for income taxes for the nine months ended September 30, 2007 included a net tax provision of $41.8 million from station divestitures and income tax settlements.

On January 1, 2007, the Company adopted the provisions of FIN 48 which did not have a material impact to the Company's liability for unrecognized tax benefits. Total unrecognized tax benefits at the date of adoption of FIN 48 were $227.3 million, of which $184.5 million would affect the Company's effective income tax rates, if and when recognized in future years. The Company does not expect the total amount of unrecognized tax benefits to significantly change during the next twelve months.

The Company recognizes interest and penalty charges related to unrecognized tax benefits as income tax expense, which is consistent with the recognition in prior reporting periods. As of the date of adoption of FIN 48, the Company had recorded liabilities for accrued interest and penalties of $33.3 million.

The Company is currently under examination by the Internal Revenue Service for the years 2004 and 2005. The resolutions of tax matters with other jurisdictions are not expected to be material to the consolidated financial statements.

12) COMMITMENTS AND CONTINGENCIES

Off-Balance Sheet Arrangements

Prior to the Separation, Former Viacom had entered into guarantees with respect to obligations related to Blockbuster Inc. ("Blockbuster"), including certain Blockbuster store leases; Famous Players theater leases; certain UCI theater leases; and certain theater leases related to W.F. Cinema Holdings L.P. and Grauman's Theatres LLC. In connection with the Separation, Viacom Inc. has agreed to indemnify the Company with respect to these guarantees.

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. The outstanding letters of credit and surety bonds approximated $399.0 million at September 30, 2007 and are not recorded on the Consolidated Balance Sheet as of September 30, 2007.

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

Shareholder Derivative Lawsuits and Demands. Two shareholder derivative lawsuits, consolidated as *In re Viacom Inc. Shareholders Derivative Litigation,* were filed in July 2005 in New York State Supreme Court relating to executive compensation and alleged corporate waste. The actions name each member of Former Viacom's Board of Directors at the time the actions were filed, Messrs. Tom Freston and Leslie Moonves (each of whom were executive officers of Former Viacom), and, as a nominal defendant, Former Viacom, alleging that the 2004 compensation of Messrs. Redstone, Freston and Moonves was excessive and unwarranted and challenging the independence of certain Former Viacom directors. Mr. Redstone is the Company's Executive Chairman of the Board of Directors and Founder and Mr. Moonves is the Company's President and Chief Executive Officer. Mr. Freston was formerly Viacom Inc.'s President and Chief Executive Officer. Plaintiffs seek unspecified damages from the members of the Former Viacom Board of Directors for their alleged breach of fiduciary duties, disgorgement of the 2004 compensation paid to the above-named officers of Former Viacom, equitable relief, and attorney fees and expenses. The Company moved to dismiss the complaints and oral argument was heard on February 16, 2006. On June 26, 2006, the court denied the Company's motion to dismiss. The Company's appeal from that decision was argued on January 5, 2007, and the court reserved decision. The trial court proceedings have been stayed pending the resolution of the Company's appeal. In January 2007, a new shareholder derivative action was filed in New York Supreme Court, which contains allegations similar to those in the earlier actions, and was consolidated with *In re Viacom Inc. Shareholders Derivative Litigation*. Also, in January 2007, the parties reached an agreement in principle to settle all of these actions. In April 2007, the parties executed a Stipulation of Settlement, which resolves all of these actions. The Stipulation of Settlement remains subject to court approval. A settlement approval hearing is scheduled for November 13, 2007. The Company believes that the plaintiffs' positions in these actions are without merit and, if the settlement is not approved, it intends to vigorously defend itself in the litigation. Any liabilities of the Company and/or Viacom Inc. in this matter will be shared equally between the Company and Viacom Inc.

The Company has received shareholder demands seeking access to books and records of the Company relating to executive compensation paid to Sumner M. Redstone, Tom Freston and Leslie Moonves, accompanied by statements that such demands are in furtherance of an investigation of possible mismanagement, self-dealing and corporate waste by directors and officers of Former Viacom. Another shareholder demand seeking access to books and records relates to the compensation of Sumner M. Redstone and Mel Karmazin (former Chief Operating Officer of Former Viacom). One of the demands also seeks access to books and records of the Company relating to Sumner M. Redstone's acquisition of a controlling interest in Midway Games Inc. The Company intends to comply with all reasonable requests. Any liabilities of the Company and/or Viacom Inc. in this matter will be shared equally between the Company and Viacom Inc.

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 large 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 September 30, 2007, the Company had pending approximately 72,970 asbestos claims, as compared with approximately 73,310 as of December 31, 2006 and approximately 81,300 as of September 30, 2006. Of the claims pending as of September 30, 2007, approximately 48,260 were pending in state courts, 21,210 in federal courts and, additionally, approximately 3,500 were third party claims pending in state courts. During the third quarter of 2007, the Company received approximately 880 new claims and closed or moved to an inactive docket approximately 800 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. To date, the Company has not been liable for any third party claims. The Company's total costs for the years 2006 and 2005 for settlement and defense of asbestos claims after insurance recoveries and net of tax benefits were approximately $5.7 million and $37.2 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.

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.

Indecency Regulation. On March 15, 2006, the FCC released certain decisions relating to indecency complaints against certain of the Company's owned television stations and affiliated stations. The FCC ruled in the Super Bowl proceeding and ordered the Company to pay a forfeiture of $550,000. On May 31, 2006, the FCC denied the Company's petition for reconsideration. On July 28, 2006, the Company filed a Petition for Review of the forfeiture and denial of reconsideration with the U.S. Court of Appeals for the Third Circuit and paid the $550,000 forfeiture under protest so that the Company could bring an appeal. The Company has appealed the Super Bowl decision in the U.S. Court of Appeals for the Third Circuit and oral argument was heard on September 11, 2007. The Company is awaiting the court's decision on this matter.

On March 15, 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. Also, on March 15, 2006, as part of an omnibus indecency order, the FCC ruled that a broadcast of *The Early Show* was indecent, but declined to issue a forfeiture. That decision and others were appealed to the U.S. Court of Appeals for the Second Circuit by the Company, as well as the other broadcast networks and their affiliate associations. The court initially remanded the matter to the FCC at the request of the FCC, and, on November 6, 2006, the FCC issued a decision reversing the part of its decision that found *The Early Show* broadcast to be indecent. However, the FCC affirmed its findings that the broadcast of fleeting and isolated expletives on another broadcast network was indecent. In June 2007, the court vacated the FCC's "fleeting expletive" policy on the ground that the FCC failed to articulate a reasoned basis for a change in its longstanding approach in this area, and was therefore impermissibly arbitrary and capricious. The court remanded the case to the FCC for further proceedings consistent with the court's opinion. The FCC has indicated that it will be seeking U.S. Supreme Court review of the court's decision. The FCC's deadline for filing a petition for *certiorari* with the U.S. Supreme Court is November 4, 2007. New legislation has been introduced in Congress which would, if it becomes law, have the effect of purporting to make future "fleeting expletives" indecent under the FCC's jurisdiction. 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. In a separate matter, a new law increased the maximum forfeiture for a single indecency violation from $32,500 to $325,000, with a maximum forfeiture exposure of $3,000,000 for any continuing violation arising from a single act or failure to act, which new maximum amounts became effective on July 20, 2007.

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., Viacom Inc. has agreed to defend and indemnify the Company in certain litigation in which the Company is named.

13) RESTRUCTURING CHARGES

During September 2006, the Company combined the resources of its syndication and distribution operations. As a result, restructuring charges of $11.6 million were recorded in selling, general and administrative ("SG&A") expenses in the Television segment during the year ended December 31, 2006. The charges reflected severance costs of $9.7 million and legal, lease termination and other expenses of $1.9 million. As of September 30, 2007, the Company paid $7.7 million of the restructuring charges, of which $7.2 million was paid during the nine months ended September 30, 2007.

The CW, a broadcast network and 50/50% joint venture with Warner Bros. Entertainment, was launched in September 2006. As a result, UPN ceased broadcasting its network schedule at the conclusion of the 2005/2006 broadcast season. In connection with the shutdown of UPN, the Television segment recorded shutdown costs of $24.0 million in SG&A expenses in the second quarter of 2006. The charges reflected costs associated with contract terminations of $13.6 million and severance, legal and other expenses of $10.4 million. As of September 30, 2007 the Company paid $6.6 million of the shutdown costs, of which $2.2 million was paid during the nine months ended September 30, 2007.

(Tabular dollars in millions, except per share amounts)

14) REPORTABLE SEGMENTS

The following tables set forth the Company's financial performance by operating segment. The Company's operating segments have been determined in accordance with the Company's internal management structure, which is organized based upon products and services.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Revenues:				
Television	$ 2,077.6	$ 2,150.6	$ 6,813.6	$ 6,926.1
Radio	445.7	508.1	1,306.6	1,461.7
Outdoor	552.2	536.2	1,568.7	1,522.8
Publishing	214.2	197.4	643.8	554.5
Eliminations	(8.3)	(13.5)	(18.6)	(27.8)
Total Revenues	$ 3,281.4	$ 3,378.8	$ 10,314.1	$ 10,437.3

(Tabular dollars in millions, except per share amounts)

The Company presents Segment operating income before depreciation and amortization ("Segment OIBDA") as the primary measure of profit and loss for its operating segments in accordance with SFAS No. 131 "Disclosures about Segments of an Enterprise and Related Information" ("SFAS 131"). 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 September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Segment OIBDA:				
Television	$ 476.1	$ 457.1	$ 1,424.6	$ 1,416.2
Radio	169.6	210.2	521.3	608.7
Outdoor	153.5	142.1	422.0	401.2
Publishing	23.8	22.7	67.7	39.1
Corporate	(41.3)	(41.3)	(109.7)	(108.7)
Residual costs	(24.1)	(34.9)	(72.4)	(105.5)
Depreciation and amortization	(111.8)	(109.5)	(336.5)	(326.1)
Total Operating Income	645.8	646.4	1,917.0	1,924.9
Interest expense	(141.7)	(140.1)	(427.0)	(425.2)
Interest income	30.0	41.4	103.1	72.5
Loss on early extinguishment of debt	—	—	—	(6.0)
Other items, net	(8.3)	(9.2)	(5.5)	(27.3)
Earnings from continuing operations before income taxes, equity in loss of affiliated companies and minority interest	525.8	538.5	1,587.6	1,538.9
Provision for income taxes	(172.5)	(208.4)	(610.4)	(487.6)
Equity in loss of affiliated companies, net of tax	(13.0)	(6.1)	(19.8)	(3.1)
Minority interest, net of tax	(.1)	(.4)	.3	(.3)
Net earnings from continuing operations	340.2	323.6	957.7	1,047.9
Net earnings (loss) from discontinued operations	3.1	(6.7)	3.1	277.6
Net Earnings	$ 343.3	$ 316.9	$ 960.8	$ 1,325.5

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Operating Income:				
Television	$ 430.9	$ 414.4	$ 1,287.1	$ 1,289.1
Radio	162.0	201.7	498.2	583.9
Outdoor	99.8	88.5	262.1	240.9
Publishing	21.6	20.3	61.1	32.2
Corporate	(44.4)	(43.6)	(119.1)	(115.7)
Residual costs	(24.1)	(34.9)	(72.4)	(105.5)
Total Operating Income	$ 645.8	$ 646.4	$ 1,917.0	$ 1,924.9

(Tabular dollars in millions, except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Depreciation and Amortization:				
Television	$ 45.2	$ 42.7	$ 137.5	$ 127.1
Radio	7.6	8.5	23.1	24.8
Outdoor	53.7	53.6	159.9	160.3
Publishing	2.2	2.4	6.6	6.9
Corporate	3.1	2.3	9.4	7.0
Total Depreciation and Amortization	$ 111.8	$ 109.5	$ 336.5	$ 326.1

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Stock-based Compensation:				
Television	$ 14.9	$ 10.1	$ 40.0	$ 24.4
Radio	3.9	3.8	12.3	9.2
Outdoor	1.5	1.1	3.8	2.5
Publishing	.9	.5	2.5	1.3
Corporate	8.1	5.4	22.2	14.3
Total Stock-based Compensation	$ 29.3	$ 20.9	$ 80.8	$ 51.7

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Capital Expenditures:				
Television	$ 39.9	$ 43.0	$ 126.6	$ 91.4
Radio	8.4	7.9	26.3	32.3
Outdoor	42.6	27.4	129.8	64.3
Publishing	3.5	2.1	7.6	3.6
Corporate	1.2	2.1	11.9	4.1
Total Capital Expenditures	$ 95.6	$ 82.5	$ 302.2	$ 195.7

(Tabular dollars in millions, except per share amounts)

	At September 30, 2007	At December 31, 2006
Total Assets:		
Television	$ 20,133.3	$ 20,392.2
Radio	10,503.9	10,777.9
Outdoor	7,435.6	7,211.7
Publishing	1,054.3	1,054.6
Corporate	2,043.1	4,100.6
Eliminations	(68.5)	(28.2)
Total Assets	$ 41,101.7	$ 43,508.8

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 8). 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 September 30, 2007				
	CBS Corp.	CBS Operations Inc.	Non-Guarantor Affiliates	Eliminations	CBS Corp. Consolidated
Revenues	$ 34.5	$ 16.7	$ 3,230.2	$ —	$ 3,281.4
Expenses:					
Operating	20.3	10.1	1,824.6	—	1,855.0
Selling, general and administrative	32.9	46.9	589.0	—	668.8
Depreciation and amortization	1.5	1.3	109.0	—	111.8
Total expenses	54.7	58.3	2,522.6	—	2,635.6
Operating income (loss)	(20.2)	(41.6)	707.6	—	645.8
Interest income (expense), net	(147.6)	(68.1)	104.0	—	(111.7)
Other items, net	(7.9)	(9.1)	8.7	—	(8.3)
Earnings (loss) from continuing operations before income taxes, equity in earnings (loss) of affiliated companies and minority interest	(175.7)	(118.8)	820.3	—	525.8
Benefit (provision) for income taxes	69.5	46.9	(288.9)	—	(172.5)
Equity in earnings (loss) of affiliated companies, net of tax	449.5	259.4	(12.9)	(709.0)	(13.0)
Minority interest, net of tax	—	—	(.1)	—	(.1)
Net earnings from continuing operations	343.3	187.5	518.4	(709.0)	340.2
Net earnings from discontinued operations	—	3.1	—	—	3.1
Net earnings	$ 343.3	$ 190.6	$ 518.4	$ (709.0)	$ 343.3

(Tabular dollars in millions, except per share amounts)

	Statement of Operations For the Nine Months Ended September 30, 2007				
	CBS Corp.	CBS Operations Inc.	Non-Guarantor Affiliates	Eliminations	CBS Corp. Consolidated
Revenues	$ 110.0	$ 45.9	$ 10,158.2	$ —	$ 10,314.1
Expenses:					
Operating	58.8	26.7	6,007.3	—	6,092.8
Selling, general and administrative	100.5	127.2	1,740.1	—	1,967.8
Depreciation and amortization	3.9	3.4	329.2	—	336.5
Total expenses	163.2	157.3	8,076.6	—	8,397.1
Operating income (loss)	(53.2)	(111.4)	2,081.6	—	1,917.0
Interest income (expense), net	(440.5)	(207.3)	323.9	—	(323.9)
Other items, net	(23.6)	(6.7)	24.8	—	(5.5)
Earnings (loss) from continuing operations before income taxes, equity in earnings (loss) of affiliated companies and minority interest	(517.3)	(325.4)	2,430.3	—	1,587.6
Benefit (provision) for income taxes	204.6	128.7	(943.7)	—	(610.4)
Equity in earnings (loss) of affiliated companies, net of tax	1,273.5	561.7	(13.5)	(1,841.5)	(19.8)
Minority interest, net of tax	—	—	.3	—	.3
Net earnings from continuing operations	960.8	365.0	1,473.4	(1,841.5)	957.7
Net earnings from discontinued operations	—	3.1	—	—	3.1
Net earnings	$ 960.8	$ 368.1	$ 1,473.4	$ (1,841.5)	$ 960.8

(Tabular dollars in millions, except per share amounts)

	Statement of Operations For the Three Months Ended September 30, 2006				
	CBS Corp.	CBS Operations Inc.	Non-Guarantor Affiliates	Eliminations	CBS Corp. Consolidated
Revenues	$ 37.8	$ 12.4	$ 3,328.6	$ —	$ 3,378.8
Expenses:					
Operating	20.1	8.7	1,893.1	—	1,921.9
Selling, general and administrative	44.0	46.5	610.5	—	701.0
Depreciation and amortization	1.3	.8	107.4	—	109.5
Total expenses	65.4	56.0	2,611.0	—	2,732.4
Operating income (loss)	(27.6)	(43.6)	717.6	—	646.4
Interest income (expense), net	(141.1)	(52.3)	94.7	—	(98.7)
Other items, net	(8.1)	(1.6)	.5	—	(9.2)
Earnings (loss) from continuing operations before income taxes, equity in earnings (loss) of affiliated companies and minority interest	(176.8)	(97.5)	812.8	—	538.5
Benefit (provision) for income taxes	70.6	38.8	(317.8)	—	(208.4)
Equity in earnings (loss) of affiliated companies, net of tax	423.1	139.9	(5.4)	(563.7)	(6.1)
Minority interest, net of tax	—	—	(.4)	—	(.4)
Net earnings from continuing operations	316.9	81.2	489.2	(563.7)	323.6
Net loss from discontinued operations	—	—	(6.7)	—	(6.7)
Net earnings	$ 316.9	$ 81.2	$ 482.5	$ (563.7)	$ 316.9

(Tabular dollars in millions, except per share amounts)

	Statement of Operations For the Nine Months Ended September 30, 2006				
	CBS Corp.	CBS Operations Inc.	Non-Guarantor Affiliates	Eliminations	CBS Corp. Consolidated
Revenues	$ 114.4	$ 47.7	$ 10,275.2	$ —	$ 10,437.3
Expenses:					
Operating	58.7	30.9	6,034.0	—	6,123.6
Selling, general and administrative	133.5	134.7	1,794.5	—	2,062.7
Depreciation and amortization	4.0	2.2	319.9	—	326.1
Total expenses	196.2	167.8	8,148.4	—	8,512.4
Operating income (loss)	(81.8)	(120.1)	2,126.8	—	1,924.9
Interest income (expense), net	(465.6)	(188.7)	301.6	—	(352.7)
Loss on early extinguishment of debt	(6.0)	—	—	—	(6.0)
Other items, net	(26.7)	(19.8)	19.2	—	(27.3)
Earnings (loss) from continuing operations before income taxes, equity in earnings (loss) of affiliated companies and minority interest	(580.1)	(328.6)	2,447.6	—	1,538.9
Benefit (provision) for income taxes	231.5	131.1	(850.2)	—	(487.6)
Equity in earnings (loss) of affiliated companies, net of tax	1,674.1	399.1	(2.4)	(2,073.9)	(3.1)
Minority interest, net of tax	—	—	(.3)	—	(.3)
Net earnings from continuing operations	1,325.5	201.6	1,594.7	(2,073.9)	1,047.9
Net earnings (loss) from discontinued operations	—	295.3	(17.7)	—	277.6
Net earnings	$ 1,325.5	$ 496.9	$ 1,577.0	$ (2,073.9)	$ 1,325.5

(Tabular dollars in millions, except per share amounts)

	Balance Sheet At September 30, 2007				
	CBS Corp.	CBS Operations Inc.	Non-Guarantor Affiliates	Eliminations	CBS Corp. Consolidated
Assets					
Cash and cash equivalents	$ 812.5	$ 1.1	$ 412.4	$ —	$ 1,226.0
Receivables, net	27.1	8.7	2,557.1	—	2,592.9
Programming and other inventory	6.2	9.3	776.7	—	792.2
Prepaid expenses and other current assets	64.9	85.7	1,035.3	(53.7)	1,132.2
Total current assets	910.7	104.8	4,781.5	(53.7)	5,743.3
Property and equipment	53.7	43.9	4,484.0	—	4,581.6
Less accumulated depreciation and amortization	18.8	20.5	1,697.8	—	1,737.1
Net property and equipment	34.9	23.4	2,786.2	—	2,844.5
Programming and other inventory	5.2	41.6	1,599.1	—	1,645.9
Goodwill	100.3	63.0	18,918.2	—	19,081.5
Intangible assets	641.2	—	9,599.2	—	10,240.4
Investments in consolidated subsidiaries	43,417.1	4,536.5	—	(47,953.6)	—
Other assets	114.8	47.3	1,384.0	—	1,546.1
Total Assets	$ 45,224.2	$ 4,816.6	$ 39,068.2	$ (48,007.3)	$ 41,101.7
Liabilities and Stockholders' Equity					
Accounts payable	$ 1.9	$ 14.1	$ 359.6	$ —	$ 375.6
Participants' share and royalties payable	—	16.0	598.3	—	614.3
Program rights	5.9	9.7	959.3	—	974.9
Current portion of long-term debt	—	—	19.8	—	19.8
Accrued expenses and other	476.1	235.0	1,621.6	(54.1)	2,278.6
Total current liabilities	483.9	274.8	3,558.6	(54.1)	4,263.2
Long-term debt	6,833.2	—	202.7	—	7,035.9
Other liabilities	2,019.7	1,743.8	4,841.6	(1.7)	8,603.4
Intercompany payables	9,980.0	(6,726.9)	(8,363.9)	5,110.8	—
Minority interest	—	—	1.1	—	1.1
Stockholders' Equity:					
Preferred Stock	—	—	128.2	(128.2)	—
Common Stock	.8	122.8	1,135.9	(1,258.7)	.8
Additional paid-in capital	44,228.0	—	61,434.7	(61,434.7)	44,228.0
Retained earnings (deficit)	(14,501.7)	9,733.1	(19,475.1)	5,032.7	(19,211.0)
Accumulated other comprehensive income (loss)	(116.4)	.1	404.3	(404.4)	(116.4)
	29,610.7	9,856.0	43,628.0	(58,193.3)	24,901.4
Less treasury stock, at cost	3,703.3	331.1	4,799.9	(5,131.0)	3,703.3
Total Stockholders' Equity	25,907.4	9,524.9	38,828.1	(53,062.3)	21,198.1
Total Liabilities and Stockholders' Equity	$ 45,224.2	$ 4,816.6	$ 39,068.2	$ (48,007.3)	$ 41,101.7

(Tabular dollars in millions, except per share amounts)

	Balance Sheet At December 31, 2006				
	CBS Corp.	CBS Operations Inc.	Non-Guarantor Affiliates	Eliminations	CBS Corp. Consolidated
Assets					
Cash and cash equivalents	$ 1,543.8	$ .5	$ 1,530.3	$ —	$ 3,074.6
Receivables, net	35.9	18.2	2,769.9	—	2,824.0
Programming and other inventory	6.3	7.1	969.5	—	982.9
Prepaid expenses and other current assets	162.7	70.6	1,037.1	(7.8)	1,262.6
Total current assets	1,748.7	96.4	6,306.8	(7.8)	8,144.1
Property and equipment	55.0	37.4	4,182.2	—	4,274.6
Less accumulated depreciation and amortization	16.3	18.5	1,426.0	—	1,460.8
Net property and equipment	38.7	18.9	2,756.2	—	2,813.8
Programming and other inventory	8.3	61.6	1,595.7	—	1,665.6
Goodwill	100.3	63.0	18,658.2	—	18,821.5
Intangible assets	641.2	—	9,783.8	—	10,425.0
Investments in consolidated subsidiaries	47,259.9	3,974.2	—	(51,234.1)	—
Other assets	204.7	16.2	1,417.9	—	1,638.8
Total Assets	$ 50,001.8	$ 4,230.3	$ 40,518.6	$ (51,241.9)	$ 43,508.8
Liabilities and Stockholders' Equity					
Accounts payable	$ 1.8	$ 8.1	$ 492.4	$ —	$ 502.3
Participants' share and royalties payable	—	13.9	753.6	—	767.5
Program rights	7.2	8.4	891.3	—	906.9
Current portion of long-term debt	—	—	15.0	—	15.0
Accrued expenses and other	606.8	119.9	1,489.2	(8.1)	2,207.8
Total current liabilities	615.8	150.3	3,641.5	(8.1)	4,399.5
Long-term debt	6,871.0	—	156.3	—	7,027.3
Other liabilities	3,475.5	802.0	4,274.8	6.2	8,558.5
Intercompany payables	10,803.6	(6,209.6)	(9,651.6)	5,057.6	—
Minority interest	—	—	1.0	—	1.0
Stockholders' Equity:					
Preferred Stock	—	—	128.2	(128.2)	—
Common Stock	.8	122.8	1,135.9	(1,258.7)	.8
Additional paid-in capital	44,259.3	—	61,434.8	(61,434.8)	44,259.3
Retained earnings (deficit)	(15,462.5)	9,365.0	(20,952.6)	6,874.2	(20,175.9)
Accumulated other comprehensive income (loss)	(246.3)	(.2)	350.3	(350.1)	(246.3)
	28,551.3	9,487.6	42,096.6	(56,297.6)	23,837.9
Less treasury stock, at cost	315.4	—	—	—	315.4
Total Stockholders' Equity	28,235.9	9,487.6	42,096.6	(56,297.6)	23,522.5
Total Liabilities and Stockholders' Equity	$ 50,001.8	$ 4,230.3	$ 40,518.6	$ (51,241.9)	$ 43,508.8

(Tabular dollars in millions, except per share amounts)

	Statement of Cash Flows For the Nine Months Ended September 30, 2007				
	CBS Corp.	CBS Operations Inc.	Non-Guarantor Affiliates	Eliminations	CBS Corp. Consolidated
Net cash flow (used for) provided by operating activities	$ (734.2)	$ (134.0)	$ 2,764.1	$ —	$ 1,895.9
Investing Activities:					
Capital expenditures	—	(11.9)	(290.3)	—	(302.2)
Acquisitions, net of cash acquired	—	—	(329.1)	—	(329.1)
Proceeds from dispositions	292.0	—	54.3	—	346.3
Investments in and advances to affiliated companies	.2	—	(21.1)	—	(20.9)
Net receipts from Viacom Inc. related to the Separation	170.0	—	4.9	—	174.9
Other	(1.2)	—	—	—	(1.2)
Net cash flow provided by (used for) investing activities	461.0	(11.9)	(581.3)	—	(132.2)
Financing Activities:					
Repayments of notes	(660.0)	—	—	—	(660.0)
Proceeds from issuance of notes	678.0	—	—	—	678.0
Borrowing from banks, including commercial paper, net	—	—	1.9	—	1.9
Payment of capital lease obligations	—	—	(12.6)	—	(12.6)
Purchase of Company common stock	(1,950.7)	—	(1,400.6)	—	(3,351.3)
Dividends	(472.4)	—	—	—	(472.4)
Proceeds from exercise of stock options	195.2	—	—	—	195.2
Excess tax benefit from stock-based compensation	8.9	—	—	—	8.9
Increase (decrease) in intercompany payables	1,742.9	146.5	(1,889.4)	—	—
Net cash flow provided by (used for) financing activities	(458.1)	146.5	(3,300.7)	—	(3,612.3)
Net increase (decrease) in cash and cash equivalents	(731.3)	.6	(1,117.9)	—	(1,848.6)
Cash and cash equivalents at beginning of period	1,543.8	.5	1,530.3	—	3,074.6
Cash and cash equivalents at end of period	$ 812.5	$ 1.1	$ 412.4	$ —	$ 1,226.0

(Tabular dollars in millions, except per share amounts)

	Statement of Cash Flows For the Nine Months Ended September 30, 2006				
	CBS Corp.	CBS Operations Inc.	Non-Guarantor Affiliates	Eliminations	CBS Corp. Consolidated
Net cash flow provided by (used for) operating activities	$ (422.5)	$ (760.6)	$ 2,927.9	$ —	$ 1,744.8
Investing Activities:					
Capital expenditures	—	(4.1)	(191.6)	—	(195.7)
Acquisitions, net of cash acquired	(47.3)	—	(28.0)	—	(75.3)
Proceeds from dispositions	—	1,078.2	184.7	—	1,262.9
Investments in and advances to affiliated companies	(3.0)	—	(45.6)	—	(48.6)
Net receipts from Viacom Inc. related to the Separation	(.4)	—	28.8	—	28.4
Other, net	(.8)	—	—	—	(.8)
Net cash flow provided by (used for) investing activities from continuing operations	(51.5)	1,074.1	(51.7)	—	970.9
Net cash flow used for investing activities from discontinued operations	—	—	(34.5)	—	(34.5)
Net cash flow provided by (used for) investing activities	(51.5)	1,074.1	(86.2)	—	936.4
Financing Activities:					
Repayment of notes	(832.0)	—	—	—	(832.0)
Repayment to banks, including commercial paper, net	—	—	(4.5)	—	(4.5)
Payment of capital lease obligations	—	—	(10.9)	—	(10.9)
Purchase of Company common stock	(6.1)	—	—	—	(6.1)
Dividends	(365.8)	—	—	—	(365.8)
Proceeds from exercise of stock options	58.0	—	—	—	58.0
Excess tax benefit from stock-based compensation	1.4	—	—	—	1.4
Increase (decrease) in intercompany payables	2,652.0	(312.9)	(2,339.1)	—	—
Net cash flow provided by (used for) financing activities	1,507.5	(312.9)	(2,354.5)	—	(1,159.9)
Net increase in cash and cash equivalents	1,033.5	.6	487.2	—	1,521.3
Cash and cash equivalents at beginning of period	1,153.0	—	502.3	—	1,655.3
Cash and cash equivalents at end of period	$ 2,186.5	$ .6	$ 989.5	$ —	$ 3,176.6

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

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, 2006.

Consolidated Results of Operations

Three and Nine Months Ended September 30, 2007 versus Three and Nine Months Ended September 30, 2006

Revenues

The tables below present the Company's consolidated revenues by type, net of intercompany eliminations, for the three and nine months ended September 30, 2007 and 2006.

	Three Months Ended September 30,					
Revenues by Type	**2007**	**Percentage of Total**	**2006**	**Percentage of Total**	**Increase/(Decrease) $**	**%**
Advertising sales	$ 2,224.3	68%	$ 2,323.9	69%	$ (99.6)	(4)%
Television license fees	417.3	13	459.0	13	(41.7)	(9)
Affiliate fees	279.6	8	265.3	8	14.3	5
Publishing	214.2	7	197.4	6	16.8	9
Other	146.0	4	133.2	4	12.8	10
Total Revenues	$ 3,281.4	100%	$ 3,378.8	100%	$ (97.4)	(3)%

	Nine Months Ended September 30,					
Revenues by Type	**2007**	**Percentage of Total**	**2006**	**Percentage of Total**	**Increase/(Decrease) $**	**%**
Advertising sales	$ 7,349.3	71%	$ 7,540.1	72%	$ (190.8)	(3)%
Television license fees	1,017.5	10	1,227.2	12	(209.7)	(17)
Affiliate fees	835.8	8	801.5	8	34.3	4
Publishing	643.8	6	554.5	5	89.3	16
Other	467.7	5	314.0	3	153.7	49
Total Revenues	$ 10,314.1	100%	$ 10,437.3	100%	$ (123.2)	(1)%

Advertising sales decreased $99.6 million, or 4%, to $2.22 billion for the three months ended September 30, 2007 and decreased $190.8 million, or 3%, to $7.35 billion for the nine months ended September 30, 2007, principally reflecting the absence of UPN and the impact of radio and television station divestitures. In aggregate, these items negatively impacted the advertising sales comparison by 4% for both the three and nine months ended September 30, 2007. For the nine-month period, these decreases were partially offset by the 2007 telecast of *Super Bowl XLI* on CBS Network. Radio advertising sales decreased 13% for the third quarter and 12% for the nine-month period due to the impact of radio station divestitures as well as overall weakness in radio advertising sales. Outdoor advertising sales increased 3% for both the third quarter and the nine-month period reflecting increases in Europe and Asia of 13% for the third quarter and 11% for the nine-month period. Outdoor North America advertising sales decreased 2% for the quarter and decreased 1% for the nine-month period, as growth in U.S. billboards was more than offset by a decline in U.S. transit and displays due to the non-renewal of certain transit and street furniture contracts in New York City and Chicago.

Television license fees decreased $41.7 million, or 9%, to $417.3 million for the three months ended September 30, 2007 reflecting the timing of foreign syndication and fewer titles available for domestic syndication as compared to the third quarter of 2006, which included the domestic syndication sale of *CSI: Miami*. Television license fees decreased $209.7 million, or 17%, to $1.02 billion for the nine months ended September 30, 2007, principally reflecting the absence of the 2006 basic cable availability and off-network syndication of *Frasier* and the 2006 domestic syndication of *CSI: Miami*.

Affiliate fees increased $14.3 million, or 5%, to $279.6 million for the three months ended September 30, 2007 and increased $34.3 million, or 4%, to $835.8 million for the nine months ended September 30, 2007, primarily driven by rate increases and subscriber growth at Showtime Networks and CSTV Networks.

Publishing revenues increased $16.8 million, or 9%, to $214.2 million for the three months ended September 30, 2007 and increased $89.3 million, or 16%, to $643.8 million for the nine months ended September 30, 2007, primarily reflecting higher sales from frontlist titles in the Adult, Children's and International groups.

Other revenues, which include ancillary fees for Television and Radio operations and home entertainment revenues, increased $12.8 million, or 10%, to $146.0 million for the three months ended September 30, 2007 and increased $153.7 million, or 49%, to $467.7 million for the nine months ended September 30, 2007. For the three months ended September 30, 2007, the increase primarily reflected higher digital media revenues. For the nine-month period, the increase primarily reflected an increase in home entertainment revenues of $100.4 million and higher digital media revenues.

International Revenues

The Company generated approximately 12% of its total revenues from international regions for the three and nine months ended September 30, 2007 and 12% and 11% for the three and nine months ended September 30, 2006, respectively.

Operating Expenses

The following tables present the Company's consolidated operating expenses by type, net of intercompany eliminations, for the three and nine months ended September 30, 2007 and 2006.

	Three Months Ended September 30,					
Operating Expenses by Type	**2007**	**Percentage of Total**	**2006**	**Percentage of Total**	**Increase/(Decrease) %**	**$**
Programming	$ 667.8	36%	$ 626.8	33%	$ 41.0	7 %
Production	566.2	30	706.8	37	(140.6)	(20)
Outdoor operations	300.6	16	299.1	15	1.5	1
Publishing operations	141.0	8	126.3	7	14.7	12
Other	179.4	10	162.9	8	16.5	10
Total Operating Expenses	$ 1,855.0	100%	$ 1,921.9	100%	$ (66.9)	(3)%

	Nine Months Ended September 30,					
Operating Expenses by Type	**2007**	**Percentage of Total**	**2006**	**Percentage of Total**	**Increase/(Decrease) %**	**$**
Programming	$ 2,498.3	41%	$ 2,386.4	39%	$ 111.9	5 %
Production	1,689.2	28	1,931.8	32	(242.6)	(13)
Outdoor operations	865.8	14	856.9	14	8.9	1
Publishing operations	427.6	7	375.2	6	52.4	14
Other	611.9	10	573.3	9	38.6	7
Total Operating Expenses	$ 6,092.8	100%	$ 6,123.6	100%	$ (30.8)	(1)%

Operating expenses for the three months ended September 30, 2007 decreased $66.9 million, or 3%, to $1.86 billion. For the nine months ended September 30, 2007, operating expenses decreased $30.8 million, or 1%, to $6.09 billion.

Programming expenses for the three months ended September 30, 2007 increased $41.0 million, or 7%, to $667.8 million reflecting higher sports and first-run programming costs. For the nine months ended September 30, 2007, programming expenses increased $111.9 million, or 5%, to $2.50 billion primarily reflecting higher sports programming costs principally attributable to the 2007 telecast of *Super Bowl XLI* on CBS Network, partially offset by lower expenses resulting from the absence of UPN.

Production expenses for the three months ended September 30, 2007 decreased $140.6 million, or 20%, to $566.2 million and for the nine months ended September 30, 2007 decreased $242.6 million, or 13%, to $1.69 billion, primarily reflecting lower costs associated with lower syndication revenues.

Outdoor operations expenses for the three months ended September 30, 2007 increased $1.5 million, or 1%, to $300.6 million and for the nine months ended September 30, 2007 increased $8.9 million, or 1%, to $865.8 million primarily due to the unfavorable impact of foreign exchange partially offset by lower transit lease costs, principally reflecting the non-renewal of certain transit and street furniture contracts in New York City and Chicago.

Publishing operations expenses for the three months ended September 30, 2007 increased $14.7 million, or 12%, to $141.0 million and for the nine months ended September 30, 2007 increased $52.4 million, or 14%, to $427.6 million primarily reflecting increased production costs and higher royalty expenses driven by the increase in revenues and the mix of titles.

Other operating expenses for the three months ended September 30, 2007 increased $16.5 million, or 10%, to $179.4 million and for the nine months ended September 30, 2007, increased $38.6 million, or 7%, to $611.9 million principally due to higher television distribution costs and higher costs associated with digital media.

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, decreased $32.2 million, or 5%, to $668.8 million for the three months ended September 30, 2007 and decreased $94.9 million, or 5%, to $1.97 billion for the nine months ended September 30, 2007 primarily reflecting lower expenses due to the sale of radio and television stations, the absence of UPN and lower pension and postretirement benefits costs. These decreases were partially offset by higher stock-based compensation expense and the absence of a gain of $11.6 million on the sale of a building recognized in the third quarter of 2006. Pension and postretirement benefits costs decreased $13.7 million to $37.4 million for the third quarter and decreased $52.7 million to $112.3 million for the nine-month period versus the comparable prior-year periods, primarily due to the recognition of lower actuarial losses and the impact of $250 million of discretionary contributions made during 2006 to pre-fund one of the Company's qualified pension plans. SG&A expenses as a percentage of revenues for the three months ended September 30, 2007 decreased to 20% from 21% for the same prior-year period, and for the nine months ended September 30, 2007 decreased to 19% from 20% for the same prior-year period.

Depreciation and Amortization

For the three and nine months ended September 30, 2007, depreciation and amortization increased 2% to $111.8 million and 3% to $336.5 million, respectively, principally reflecting higher depreciation associated with higher capital expenditures for broadcast facilities.

Interest Expense

For the three months ended September 30, 2007, interest expense increased 1% to $141.7 million from $140.1 million and for the nine months ended September 30, 2007, interest expense of $427.0 million increased slightly from $425.2 million for the comparable prior-year period. The Company had $7.06 billion and $7.05 billion of principal amounts of debt outstanding (including current maturities) at September 30, 2007 and 2006 at weighted average interest rates of 7.1% and 7.0%, respectively.

Interest Income

For the three months ended September 30, 2007, interest income decreased $11.4 million to $30.0 million principally due to lower average cash balances resulting from the two accelerated share repurchase transactions executed during 2007. For the nine months ended September 30, 2007, interest income increased $30.6 million to $103.1 million primarily due to higher average cash balances and the timing of the refinancing of $700.0 million of senior notes.

Loss on Early Extinguishment of Debt

For the nine months ended September 30, 2006, "Loss on early extinguishment of debt" of $6.0 million reflected losses recognized upon the early redemption of $50.0 million of the Company's 6.625% senior notes due 2011 and $52.2 million of the Company's 7.70% senior notes due 2010.

Other Items, Net

For the three months ended September 30, 2007, "Other items, net" reflected a net loss of $8.3 million principally reflecting losses of $8.8 million associated with securitizing trade receivables. "Other items, net" reflected a net loss of $5.5 million for the nine months ended September 30, 2007 consisting of losses of $24.3 million associated with securitizing trade receivables partially offset by a pre-tax gain of $12.6 million on television and radio station divestitures, gains of $3.9 million from sales of investments and foreign exchange gains of $2.3 million.

For the three months ended September 30, 2006, "Other items, net" reflected a net loss of $9.2 million principally consisting of losses of $8.1 million associated with securitizing trade receivables and foreign exchange losses of $1.3 million partially offset by a $1.1 million gain on the sale of an investment. "Other items, net" reflected a net loss of $27.3 million for the nine months ended September 30, 2006, principally consisting of losses of $22.9 million associated with securitizing trade receivables and foreign exchange losses of $4.7 million partially offset by a $1.1 million gain on the sale of an investment.

Provision for Income Taxes

The provision for income taxes represents federal, state and local, and foreign income taxes on earnings from continuing operations before income taxes, equity in loss of affiliated companies and minority interest. The provision for income taxes for continuing operations was $172.5 million and $208.4 million for the three months ended September 30, 2007 and 2006, respectively, and $610.4 million and $487.6 million for the nine months ended September 30, 2007 and 2006, respectively. For the third quarter of 2007, the Company's effective income tax rate decreased to 32.8% from 38.7% for the third quarter of 2006, due primarily to lower state and foreign income taxes in 2007. For the nine months ended September 30, 2007, the Company's effective income tax rate of 38.4% increased from 31.7% for the same prior-year period, reflecting the absence of 2006 tax benefits of $132.9 million from income tax settlements and the tax impact of the 2007 station divestitures, partially offset by lower state and foreign income taxes in 2007. The provision for income taxes for the nine months ended September 30, 2007 included a net tax provision of $41.8 million from station divestitures and income tax settlements.

Equity in Loss of Affiliated Companies, Net of Tax

Equity in loss of affiliated companies, net of tax, reflects the operating results of the Company's equity investments. For the three months ended September 30, 2007, equity in loss of affiliated companies, net of tax, increased $6.9 million to a loss of $13.0 million and for the nine months ended September 30, 2007 increased $16.7 million to a loss of $19.8 million. These increases primarily reflected operating losses for the Company's investment in The CW. Results for the nine months ended September 30, 2007 also included a non-cash impairment charge associated with an other-than-temporary decline in the market value of one of the Company's investments.

Minority Interest, Net of Tax

Minority interest primarily represents the minority ownership of certain international entities.

Net Earnings (Loss) from Discontinued Operations

Net earnings from discontinued operations of $3.1 million for the three and nine months ended September 30, 2007 reflected adjustments to the gain on the sale of Paramount Parks. Net earnings (loss) from discontinued operations for the three and nine months ended September 30, 2006 included losses on dispositions related to the Company's aircraft leases and for the 2006 nine-month period, also reflected the operating results and gain on the sale of Paramount Parks, which was sold during the second quarter of 2006.

Net Earnings

The Company reported net earnings of $343.3 million for the three months ended September 30, 2007 versus $316.9 million for the three months ended September 30, 2006 and net earnings of $960.8 million for the nine months ended September 30, 2007 versus net earnings of $1.33 billion for the nine months ended September 30, 2006.

Segment Results of Operations

The following tables present the Company's revenues, Segment operating income before depreciation and amortization ("Segment OIBDA"), operating income, and depreciation and amortization by segment, for the three and nine months ended September 30, 2007 and 2006, respectively.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Revenues:				
Television	$ 2,077.6	$ 2,150.6	$ 6,813.6	$ 6,926.1
Radio	445.7	508.1	1,306.6	1,461.7
Outdoor	552.2	536.2	1,568.7	1,522.8
Publishing	214.2	197.4	643.8	554.5
Eliminations	(8.3)	(13.5)	(18.6)	(27.8)
Total Revenues	$ 3,281.4	$ 3,378.8	$ 10,314.1	$ 10,437.3
Segment OIBDA (a):				
Television	$ 476.1	$ 457.1	$ 1,424.6	$ 1,416.2
Radio	169.6	210.2	521.3	608.7
Outdoor	153.5	142.1	422.0	401.2
Publishing	23.8	22.7	67.7	39.1
Corporate	(41.3)	(41.3)	(109.7)	(108.7)
Residual costs	(24.1)	(34.9)	(72.4)	(105.5)
Depreciation and amortization	(111.8)	(109.5)	(336.5)	(326.1)
Total Operating Income	$ 645.8	$ 646.4	$ 1,917.0	$ 1,924.9
Operating Income:				
Television	$ 430.9	$ 414.4	$ 1,287.1	$ 1,289.1
Radio	162.0	201.7	498.2	583.9
Outdoor	99.8	88.5	262.1	240.9
Publishing	21.6	20.3	61.1	32.2
Corporate	(44.4)	(43.6)	(119.1)	(115.7)
Residual costs	(24.1)	(34.9)	(72.4)	(105.5)
Total Operating Income	$ 645.8	$ 646.4	$ 1,917.0	$ 1,924.9
Depreciation and Amortization:				
Television	$ 45.2	$ 42.7	$ 137.5	$ 127.1
Radio	7.6	8.5	23.1	24.8
Outdoor	53.7	53.6	159.9	160.3
Publishing	2.2	2.4	6.6	6.9
Corporate	3.1	2.3	9.4	7.0
Total Depreciation and Amortization	$ 111.8	$ 109.5	$ 336.5	$ 326.1

(a) The Company presents Segment OIBDA as the primary measure of profit and loss for its operating segments in accordance with Statement of Financial Accounting Standards ("SFAS") No. 131 "Disclosures about Segments of an Enterprise and Related Information" ("SFAS 131"). 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 Earnings is presented in Note 14 (Reportable Segments) to the consolidated financial statements.

Television *(CBS Television Network, CBS Television Stations, CBS Paramount Network Television, CBS Television Distribution, Showtime Networks and CSTV Networks)*

(Contributed 63% and 66% to consolidated revenues for the three and nine months ended September 30, 2007 versus 64% and 66% for the comparable prior-year periods.)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Revenues	$ 2,077.6	$ 2,150.6	$ 6,813.6	$ 6,926.1
OIBDA	$ 476.1	$ 457.1	$ 1,424.6	$ 1,416.2
Depreciation and amortization	(45.2)	(42.7)	(137.5)	(127.1)
Operating income (OI)	$ 430.9	$ 414.4	$ 1,287.1	$ 1,289.1
OI as a % of revenues	21%	19%	19%	19%
Capital expenditures	$ 39.9	$ 43.0	$ 126.6	$ 91.4

Three Months Ended September 30, 2007 and 2006

For the three months ended September 30, 2007, Television revenues of $2.08 billion decreased $73.0 million, or 3%, versus the same prior-year period reflecting lower television license fees and advertising revenues partially offset by higher affiliate revenues. Television license fees decreased $41.7 million, or 9%, reflecting the timing of foreign syndication and fewer titles available for domestic syndication versus the prior year which included the domestic syndication sale of *CSI: Miami.* Revenue comparability during the third quarter was negatively impacted by the absence of UPN which ceased broadcasting in September 2006 and television station divestitures. In aggregate, these items negatively impacted the total Television revenue comparison by 3% and the Television advertising revenue comparison by 5%. Advertising revenues decreased 4%, as underlying growth in the Television segment was more than offset by these two factors. Affiliate revenues increased $14.3 million, or 5%, primarily due to subscriber growth and rate increases at both Showtime Networks and CSTV Networks. Television operating income increased $16.5 million, or 4%, to $430.9 million and OIBDA increased $19.0 million, or 4%, to $476.1 million. These increases reflect higher profits from the mix of titles in syndication, underlying advertising growth and higher affiliate revenues. Included in Television expenses is stock-based compensation of $14.9 million for the three months ended September 30, 2007 versus $10.1 million for the same prior-year period.

On November 1, 2007, the television business' collective bargaining agreement with the Writers Guild of America (East and West) ("WGA") covering freelance writers expired and, on November 5, 2007, the WGA began an industry-wide strike. The Company does not expect the WGA strike to have a significant effect on Television's operating results for the remainder of 2007. However, depending on their duration, strikes or work stoppages could have an adverse effect on Television's revenues and operating income.

Nine Months Ended September 30, 2007 and 2006

For the nine months ended September 30, 2007, Television revenues decreased $112.5 million, or 2%, to $6.81 billion primarily due to lower television license fees and advertising revenues partially offset by higher home entertainment and affiliate revenues. Television license fees decreased $209.7 million, or 17%, for the nine-month period primarily due to the absence of the 2006 basic cable availability and off-network syndication of *Frasier* and the 2006 domestic syndication of *CSI: Miami.* Revenue comparability during the nine-month period was negatively impacted by the absence of UPN which ceased broadcasting in September 2006 and television station divestitures. In aggregate, these items negatively impacted the total Television revenue comparison by 3% and the Television advertising revenue comparison by 5%. Advertising revenues decreased 2% due to these two factors and lower political advertising sales partially offset by the 2007 telecast of *Super Bowl XLI* on CBS Network. Home entertainment revenues increased $100.4 million over the same prior year period as the Company is in the second year of a third party distribution arrangement which provides the Company with revenues after recoupment of upfront distribution costs incurred by the third party distributor. Affiliate revenues increased $34.3 million, or 4%, primarily due to subscriber growth and rate increases at both Showtime Networks and CSTV Networks. Television operating income decreased slightly to $1.29 billion and OIBDA increased $8.4 million, or 1%, to $1.42 billion primarily reflecting profits on higher home entertainment revenues, the absence of costs relating to the shutdown of UPN and higher affiliate revenues, partially offset by lower political advertising and the absence of 2006 syndication sales of *Frasier.* For the nine months ended September 30, 2007, depreciation and amortization of $137.5 million increased $10.4 million, or 8%, reflecting higher depreciation associated with higher capital expenditures for broadcast facilities. Included in Television expenses is stock-based compensation of $40.0 million for the nine months ended September 30, 2007 versus $24.4 million for the same prior-year period.

Capital expenditures increased $35.2 million to $126.6 million for the nine months ended September 30, 2007, principally reflecting increased spending for television facilities.

On May 30, 2007, the Company acquired Last.fm, a global, community-based, music discovery network, for approximately $280 million. Last.fm has been included as part of the Television segment since the date of acquisition. The excess purchase price over the fair value of the tangible and identifiable intangible net assets acquired was allocated to goodwill. The final allocation of the purchase price will be based on an evaluation of the fair value of the assets acquired and liabilities assumed.

On April 16, 2007, the Company completed an exchange agreement with Liberty Media Corporation under which the stock of a subsidiary of the Company which held CBS Corp.'s Green Bay television station and its satellite television station, valued at $64.0 million, and $169.8 million in cash was exchanged for the 7.6 million shares of CBS Corp. Class B Common Stock held by Liberty Media Corporation. In connection with the exchange, the Company recorded a pre-tax gain of $14.6 million in "Other items, net" on the Consolidated Statement of Operations for the nine months ended September 30, 2007.

On April 4, 2007, the Company completed the acquisition of MaxPreps, Inc., an online high school sports network, for $43.0 million. MaxPreps, Inc., has been included as part of the Television segment since the date of acquisition.

On February 26, 2007, the Company completed the sale of its television station in New Orleans for $4.3 million. On February 7, 2007, the Company announced that it entered into an agreement to sell seven of its owned television stations in Austin, Salt Lake City, Providence and West Palm Beach to Cerberus Capital Management, L.P. for approximately $185 million. This transaction is subject to FCC approval and customary closing conditions, and is expected to close in the first quarter of 2008.

During September 2006, the Company combined the resources of its syndication and distribution operations. As a result, restructuring charges of $11.6 million were recorded in SG&A expenses in the Television segment during the year ended December 31, 2006. The charges reflected severance costs of $9.7 million and legal, lease termination and other expenses of $1.9 million. As of September 30, 2007, the Company paid $7.7 million of the restructuring charges, of which $7.2 million was paid during the nine months ended September 30, 2007.

The CW, a broadcast network and 50/50% joint venture with Warner Bros. Entertainment, was launched in September 2006. As a result, UPN ceased broadcasting its network schedule at the conclusion of the 2005/2006 broadcast season. In connection with the shutdown of UPN, the Television segment recorded shutdown costs of $24.0 million in SG&A expenses in the second quarter of 2006. The charges reflected costs associated with contract terminations of $13.6 million and severance, legal and other expenses of $10.4 million. As of September 30, 2007 the Company paid $6.6 million of the shutdown costs, of which $2.2 million was paid during the nine months ended September 30, 2007.

Radio *(CBS Radio)*

(Contributed 14% and 13% to consolidated revenues for the three and nine months ended September 30, 2007 and 15% and 14% for the comparable prior-year periods.)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Revenues	$ 445.7	$ 508.1	$ 1,306.6	$ 1,461.7
OIBDA	$ 169.6	$ 210.2	$ 521.3	$ 608.7
Depreciation and amortization	(7.6)	(8.5)	(23.1)	(24.8)
Operating income (OI)	$ 162.0	$ 201.7	$ 498.2	$ 583.9
OI as a % of revenues	36%	40%	38%	40%
Capital expenditures	$ 8.4	$ 7.9	$ 26.3	$ 32.3

Three Months Ended September 30, 2007 and 2006

For the three months ended September 30, 2007, Radio revenues decreased $62.4 million, or 12%, to $445.7 million reflecting the impact of the previously announced radio station sales in ten markets as well as weakness in advertising sales. The station divestitures negatively impacted the Radio revenue comparison by 6% for the three months ended September 30, 2007. Radio receives affiliation and other fees and consideration for management services provided to Westwood One, Inc. ("Westwood One"), an affiliated company. Revenues from these arrangements were $13.0 million and $15.6 million for the three months ended September 30, 2007 and 2006, respectively. On October 2, 2007, CBS Radio and Westwood One entered into definitive agreements relating to the termination of management and representation arrangements, and modification and extension of certain arrangements involving commercial inventory distribution and radio programming, among others. The termination and modification and extension of these arrangements are subject to certain closing conditions, including the approval by Westwood One stockholders, other than CBS Radio and its affiliates.

For the three months ended September 30, 2007, Radio operating income decreased $39.7 million, or 20%, to $162.0 million and OIBDA decreased $40.6 million, or 19%, to $169.6 million. These decreases were due primarily to the decline in revenues partially offset by lower expenses. Operating expenses decreased 4% for the quarter reflecting the absence of expenses for the divested stations and lower sports programming costs. SG&A expenses decreased 10% for the quarter reflecting the absence of expenses for the divested stations as well as lower commissions and advertising and promotion costs partially offset by the absence of a gain of $11.6 million on the sale of a building recognized in the third quarter of 2006. Included in total Radio expenses is stock-based compensation of $3.9 million for the three months ended September 30, 2007 versus $3.8 million for the same prior-year period.

Nine Months Ended September 30, 2007 and 2006

For the nine months ended September 30, 2007, Radio revenues decreased $155.1 million, or 11%, to $1.31 billion reflecting the impact of the radio station sales and weakness in advertising sales. The station divestitures negatively impacted the Radio revenue comparison by 6% for the nine months ended September 30, 2007. Revenues from arrangements with Westwood One were $39.0 million and $45.4 million for the nine months ended September 30, 2007 and 2006, respectively.

For the nine months ended September 30, 2007, operating income decreased $85.7 million, or 15%, to $498.2 million and OIBDA decreased $87.4 million, or 14%, to $521.3 million. These decreases were due primarily to the revenue decline noted above partially offset by lower expenses. Operating expenses decreased 4% for the nine months ended September 30, 2007 principally due to the absence of expenses for the divested stations and lower sports programming costs, partially offset by contractual increases in music license fees and higher employee-related costs. SG&A expenses decreased 11% for the nine months ended September 30, 2007 due to the absence of expenses for the divested stations as well as lower commissions and employee-related costs partially offset by the absence of a gain of $11.6 million on the sale of a building recognized in the third quarter of 2006. Included in total Radio expenses is stock-based compensation of $12.3 million for the nine months ended September 30, 2007 versus $9.2 million for the same prior-year period.

During the nine months ended September 30, 2007, the Company completed the previously announced sales of its radio stations in Kansas City, Columbus, Fresno, Greensboro and San Antonio for total cash proceeds of $281.4 million, resulting in a pre-tax loss of $2.0 million included in "Other items, net" on the Consolidated Statement of Operations for the nine months ended September 30, 2007.

Outdoor *(CBS Outdoor)*

(Contributed 17% and 15% to consolidated revenues for the three and nine months ended September 30, 2007 and 16% and 15% for the comparable prior-year periods.)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Revenues	$ 552.2	$ 536.2	$ 1,568.7	$ 1,522.8
OIBDA	$ 153.5	$ 142.1	$ 422.0	$ 401.2
Depreciation and amortization	(53.7)	(53.6)	(159.9)	(160.3)
Operating income (OI)	$ 99.8	$ 88.5	$ 262.1	$ 240.9
OI as a % of revenues	18%	17%	17%	16%
Capital expenditures	$ 42.6	$ 27.4	$ 129.8	$ 64.3

Three Months Ended September 30, 2007 and 2006

For the three months ended September 30, 2007, Outdoor revenues increased $16.0 million, or 3%, to $552.2 million principally reflecting growth of 13% in Europe and Asia due to favorable foreign exchange rate fluctuations and growth in the U.K., Italy and France markets. North America revenues decreased 2% for the quarter, as growth of 7% in the U.S. billboards business, 15% in Canada and 13% in Mexico was more than offset by a decrease of 30% in U.S. transit and displays, principally reflecting the non-renewal of certain transit and street furniture contracts in New York City and Chicago. The favorable net impact of foreign exchange rate fluctuations on total Outdoor revenues was approximately $17 million for the three months ended September 30, 2007. Approximately 47% and 43% of Outdoor revenues were generated from international regions for the three months ended September 30, 2007 and 2006, respectively.

For the three months ended September 30, 2007, Outdoor operating income increased $11.3 million, or 13%, to $99.8 million and OIBDA increased $11.4 million, or 8%, to $153.5 million. The increases in operating income and OIBDA for the quarter reflected growth in North America of 14% and 7%, respectively, and growth in Europe and Asia of 6% and 12%, respectively. The growth in operating income and OIBDA in North America principally reflected growth in the U.S. billboards business. The growth in Europe and Asia reflected the favorable impact of foreign exchange rate fluctuations and the increase in revenues partially offset by higher transit lease costs. Total Outdoor operating expenses increased 1% for the quarter as the unfavorable impact of foreign exchange on expenses and higher maintenance costs were mostly offset by lower transit lease costs, reflecting the non-renewal of certain U.S. transit and street furniture contracts partially offset by higher transit lease costs in the U.K. SG&A expenses increased 3% for the quarter principally due to the unfavorable impact of foreign exchange on expenses and increased professional fees partially offset by lower employee-related costs. Included in total Outdoor expenses is stock-based compensation of $1.5 million for the three months ended September 30, 2007 versus $1.1 million for the same prior-year period.

Capital expenditures increased $15.2 million to $42.6 million for the third quarter of 2007, principally reflecting increased spending for transit contracts in the U.K.

Nine Months Ended September 30, 2007 and 2006

For the nine months ended September 30, 2007, Outdoor revenues increased $45.9 million, or 3%, to $1.57 billion reflecting growth of 11% in Europe and Asia partially offset by a decline of 1% in North America. The revenue increase in Europe and Asia was driven by favorable foreign exchange rates as well as growth in the U.K. and France markets. The revenue decrease in North America reflected a decline of 28% in U.S. transit and displays due to the non-renewal of certain transit and street furniture contracts in New York City and Chicago, partially offset by growth of 9% in U.S. billboards. The favorable net impact of foreign exchange rate fluctuations on total Outdoor revenues was approximately $48 million for the nine months ended September 30, 2007. Approximately 47% and 44% of Outdoor revenues were generated from international regions for the nine months ended September 30, 2007 and 2006, respectively.

For the nine months ended September 30, 2007, Outdoor operating income increased $21.2 million, or 9%, to $262.1 million and OIBDA increased $20.8 million, or 5%, to $422.0 million. The increases in operating income and OIBDA for the nine months reflected growth in North America of 20% and 11%, respectively, partially offset by declines in Europe and Asia of 40% and 24%, respectively. The growth in operating income and OIBDA in North America principally reflected growth in the U.S. billboards business. The declines in operating income and OIBDA in Europe and Asia principally reflected higher transit lease costs offset in part by the favorable impact of foreign exchange rate changes. Total Outdoor operating expenses increased 1% for the nine months, as the unfavorable impact of foreign exchange on expenses and higher materials and maintenance costs were mostly offset by lower U.S. transit lease costs and employee-related expenses. SG&A expenses increased 6% for the nine months principally due to the unfavorable impact of foreign exchange on expenses and increased professional fees. Included in total Outdoor expenses is stock-based compensation of $3.8 million for the nine months ended September 30, 2007 versus $2.5 million for the same prior-year period.

Capital expenditures increased $65.5 million to $129.8 million for the nine months ended September 30, 2007, principally reflecting increased spending for transit contracts in the U.K.

On October 5, 2007, the Company completed the acquisition of SignStorey, Inc., a distributor of video programming and advertising content to retail stores, for $71.5 million. SignStorey, Inc. has been renamed CBS Outernet and will be included as part of the Outdoor segment from the date of acquisition.

Publishing *(Simon & Schuster)*

(Contributed 7% and 6% to consolidated revenues for the three and nine months ended September 30, 2007 and 6% and 5% for the comparable prior-year periods.)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Revenues	$ 214.2	$ 197.4	$ 643.8	$ 554.5
OIBDA	$ 23.8	$ 22.7	$ 67.7	$ 39.1
Depreciation and amortization	(2.2)	(2.4)	(6.6)	(6.9)
Operating income (OI)	$ 21.6	$ 20.3	$ 61.1	$ 32.2
OI as a % of revenues	10%	10%	9%	6%
Capital expenditures	$ 3.5	$ 2.1	$ 7.6	$ 3.6

Three Months Ended September 30, 2007 and 2006

For the three months ended September 30, 2007, Publishing revenues increased $16.8 million, or 9%, to $214.2 million driven by higher frontlist sales in the International, Adult and Children's groups. Top-selling titles for the third quarter of 2007 included *Become A Better You* by Joel Osteen and *The Secret* by Rhonda Byrne.

For the three months ended September 30, 2007, Publishing operating income increased $1.3 million, or 6%, to $21.6 million and OIBDA increased $1.1 million, or 5%, to $23.8 million. These increases reflected the revenue increase partially offset by higher expenses. Operating expenses increased 12% for the quarter primarily due to higher royalty expenses resulting from the revenue increase and the mix of titles. SG&A expenses increased 2% for the quarter primarily reflecting higher employee-related costs, higher volume-driven advertising expenses and digital archive costs, partially offset by lower bad debt expense. Included in total Publishing expenses is stock-based compensation of $.9 million for the three months ended September 30, 2007 versus $.5 million for the same prior-year period.

Nine Months Ended September 30, 2007 and 2006

For the nine months ended September 30, 2007, Publishing revenues increased $89.3 million, or 16%, to $643.8 million primarily due to higher sales in the Adult and International groups, led by the performance of the best-seller *The Secret* by Rhonda Byrne. Additional top-selling titles for the first nine months of 2007 included *Become A Better You* by Joel Osteen, *I Heard That Song Before* by Mary Higgins Clark and *Einstein* by Walter Isaacson.

For the nine months ended September 30, 2007, Publishing operating income increased $28.9 million to $61.1 million and OIBDA increased $28.6 million to $67.7 million. These increases reflected the revenue increase partially offset by higher expenses. Operating expenses increased 14% for the nine-month period primarily due to higher royalty expenses resulting from the revenue increase and the mix of titles, and higher production and warehouse costs. SG&A expenses increased 6% for the nine-month period primarily reflecting higher volume-driven advertising and selling expenses, and higher employee-related costs partially offset by lower bad debt expense. Included in total Publishing expenses is stock-based compensation of $2.5 million for the nine months ended September 30, 2007 versus $1.3 million for the same prior-year period.

Financial Position

Current assets decreased $2.40 billion to $5.74 billion at September 30, 2007 from $8.14 billion at December 31, 2006 primarily due to decreases in cash and cash equivalents, receivables, and programming and other inventory. The decrease in cash and cash equivalents of $1.85 billion principally reflected the purchase of Company common stock for $3.35 billion and dividend payments, partially offset by cash flow from operations. The decrease in receivables, and programming and other inventory is due to the timing of receivable collections and investments in programming. The allowance for doubtful accounts as a percentage of receivables was 5.4% at September 30, 2007 compared with 5.1% at December 31, 2006. At September 30, 2006, the allowance for doubtful accounts as a percentage of receivables was 5.4%.

Net property and equipment of $2.84 billion at September 30, 2007 increased $30.7 million from $2.81 billion at December 31, 2006, reflecting capital expenditures of $302.2 million, partially offset by depreciation expense of $267.0 million.

Goodwill increased $260.0 million to $19.08 billion at September 30, 2007 from $18.82 billion at December 31, 2006, primarily reflecting acquisitions of $339.5 million, principally due to the acquisitions of Last.fm and MaxPreps, Inc., and foreign currency translation adjustments, partially offset by television and radio station divestitures of $168.4 million.

Intangible assets, principally consisting of FCC licenses, leasehold agreements and franchise agreements, decreased by $184.6 million to $10.24 billion at September 30, 2007 from $10.43 billion at December 31, 2006, primarily due to the radio station divestitures and amortization expense of $69.5 million.

Current liabilities decreased $136.3 million to $4.26 billion at September 30, 2007 from $4.40 billion at December 31, 2006, primarily reflecting a decrease in accounts payable due to the timing of payments and lower participants' share and royalties payable, partially offset by an increase in accrued expenses and other current liabilities.

Cash Flows

Cash and cash equivalents decreased by $1.85 billion for the nine months ended September 30, 2007. The change in cash and cash equivalents was as follows:

	Nine Months Ended September 30,	
	2007	2006
Cash provided by operating activities from:		
Continuing operations	$ 1,891.1	$ 1,818.8
Discontinued operations	4.8	(74.0)
Cash provided by operating activities	1,895.9	1,744.8
Cash provided by (used for) investing activities from:		
Continuing operations	(132.2)	970.9
Discontinued operations	—	(34.5)
Cash provided by (used for) investing activities	(132.2)	936.4
Cash used for financing activities from:		
Continuing operations	(3,612.3)	(1,159.9)
Discontinued operations	—	—
Cash used for financing activities	(3,612.3)	(1,159.9)
Net increase (decrease) in cash and cash equivalents	$ (1,848.6)	$ 1,521.3

Operating Activities. Cash provided by operating activities from continuing operations of $1.89 billion for the nine months ended September 30, 2007 increased $72.3 million, or 4%, from $1.82 billion for the same prior-year period primarily due to higher operating income, adjusted for non-cash expenses, including depreciation, amortization and stock-based compensation, higher cash interest income and lower cash taxes paid.

Cash paid for income taxes from continuing operations for the nine months ended September 30, 2007 was $441.3 million versus $452.5 million for the nine months ended September 30, 2006. Cash taxes for the full year 2007 are anticipated to be approximately $525 million to $575 million.

Cash flow from operating activities attributable to discontinued operations reflects the operating cash flows of Paramount Parks.

Investing Activities. Cash used for investing activities of $132.2 million for the nine months ended September 30, 2007 principally reflected acquisitions of $329.1 million, primarily consisting of the acquisitions of Last.fm, MaxPreps, Inc. and outdoor advertising properties, capital expenditures of $302.2 million and the investment in several new interactive initiatives. These increases were partially offset by proceeds from dispositions of $346.3 million, primarily from the radio station divestitures, and net receipts of $174.9 million from Viacom Inc. relating to the Separation. Cash provided by investing activities from continuing operations of $970.9 million for the nine months ended September 30, 2006 principally reflected proceeds of $1.24 billion from the sale of Paramount Parks and net receipts from Viacom Inc. related to the Separation of $28.4 million. These increases were partially offset by capital expenditures of $195.7 million and acquisitions of $75.3 million, primarily consisting of the acquisition of CSTV Networks and outdoor advertising properties, and investments in affiliated companies of $48.6 million principally consisting of the Company's investment in The CW. Capital expenditures increased $106.5 million to $302.2 million for the nine months ended September 30, 2007, principally reflecting increased spending for Outdoor transit contracts in the U.K. and television facilities.

Financing Activities. Cash used for financing activities of $3.61 billion for the nine months ended September 30, 2007 principally reflected the purchase of Company common stock for $3.35 billion, the repayment of notes of $660.0 million and dividend payments of $472.4 million, partially offset by proceeds from the issuance of notes of $678.0 million and proceeds from the exercise of stock options of $195.2 million. Cash used for financing activities of $1.16 billion for the nine months ended September 30, 2006 principally reflected the repayment of notes of $832.0 million and dividend payments of $365.8 million, partially offset by proceeds from the exercise of stock options of $58.0 million.

Cash Dividends

On September 4, 2007, the Company announced a 14% increase in its quarterly cash dividend on CBS Corp. Class A and Class B Common Stock to $.25 per share. The total dividend was $171.5 million of which $167.9 million was paid on October 1, 2007 and $3.6 million was accrued to be paid upon vesting of restricted shares and RSUs. Year-to-date through October 1, 2007, the Company paid $640.3 million of dividends to stockholders. Dividend declarations during 2007 and 2006 were recorded as a reduction to additional paid-in capital as the Company had an accumulated deficit balance.

Purchase of Company Stock

On September 4, 2007, the Company announced a stock repurchase program under which the Company repurchased approximately 50.7 million shares of CBS Corp. Class B Common Stock for $1.62 billion, including fees and subject to adjustment, through an accelerated share repurchase ("ASR") transaction. In the first quarter of 2007, the Company announced a stock repurchase program under which the Company repurchased 47.3 million shares of CBS Corp. Class B Common Stock for $1.52 billion, including fees and adjustment, through an ASR transaction.

For the nine months ended September 30, 2007, the Company repurchased 106.9 million shares of CBS Corp. Common Stock for $3.42 billion, including fees and subject to adjustment.

Capital Structure

The following table sets forth the Company's long-term debt:

	At September 30, 2007	At December 31, 2006
Notes payable to banks	$ 5.2	$ 3.1
Senior debt (4.625%–8.875% due 2007–2056)	6,980.6	7,006.2
Other notes	.8	.8
Obligations under capital leases	112.1	115.2
Total debt	7,098.7	7,125.3
Less discontinued operations debt (a)	43.0	83.0
Total debt from continuing operations	7,055.7	7,042.3
Less current portion	19.8	15.0
Total long-term debt from continuing operations, net of current portion	$ 7,035.9	$ 7,027.3

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

As of September 30, 2007 and December 31, 2006, the Company's debt balances included (i) a net unamortized premium of $27.0 million and $29.1 million, respectively, and (ii) the decrease in the carrying value of the debt relating to fair value hedges of $40.9 million and $17.5 million, respectively.

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.

On May 1, 2007, the Company redeemed, at maturity, all of its outstanding 5.625% senior notes due 2007 for $700.0 million.

On March 27, 2007, CBS Corp. issued $700.0 million of 6.750% senior notes due 2056. Interest on these senior notes will be paid quarterly. The senior notes are fully and unconditionally guaranteed by CBS Operations Inc., a wholly owned subsidiary of CBS Corp., and are redeemable, at the Company's option, at any time on or after March 27, 2012, at their principal amount plus accrued interest.

All of the Company's long-term debt has been issued under fixed interest rate agreements. The Company has entered into fixed-to-floating rate swap agreements for a portion of this debt, which are designated as fair value hedges. During the first quarter of 2007, the Company entered into $700 million notional amount of fixed-to-floating rate swaps. On May 1, 2007, $700 million notional amount of interest rate swaps matured.

Credit Facility

As of September 30, 2007, the Company had a $3.0 billion revolving credit facility due December 2010 (the "Credit Facility"), primarily to support commercial paper borrowings. At September 30, 2007, the Company had no commercial paper borrowings and was in compliance with all covenants under the Credit Facility, including the requirement that the Company maintain a minimum coverage ratio. As of September 30, 2007, the remaining availability under this Credit Facility, net of outstanding letters of credit, was $2.81 billion.

Accounts Receivable Securitization Program

As of September 30, 2007, the Company had $550.0 million outstanding under its revolving receivable securitization program. The program results in the sale of receivables on a non-recourse basis to unrelated third parties on a one-year renewable basis, thereby reducing accounts receivable on the Company's Consolidated Balance Sheet. The Company entered into this arrangement because it provides an additional source of liquidity. Proceeds from this program were used to reduce outstanding borrowings. The terms of the revolving securitization arrangement require that the receivable pools subject to the program meet certain performance ratios. As of September 30, 2007, the Company was in compliance with the required ratios under the receivable securitization program.

Liquidity and Capital Resources

The Company believes that its operating cash flows from continuing operations ($1.89 billion for the nine months ended September 30, 2007), cash and cash equivalents ($1.23 billion at September 30, 2007), borrowing capacity under its committed bank facility (which consisted of an unused revolving Credit Facility of $2.81 billion at September 30, 2007), and access to capital markets are sufficient to fund its operating needs, including commitments and contingencies, capital and investing commitments, and dividend and other financing requirements for the foreseeable future. The funding for commitments to purchase sports programming rights, television and film programming, and talent contracts will come primarily from cash flow from operations.

The Company continually projects anticipated cash requirements, which include capital expenditures, dividends, acquisitions, and principal payments on its outstanding indebtedness, as well as cash flows generated from operating activities available to meet these needs. Any additional net cash funding requirements are financed with short-term borrowings (primarily commercial paper) and long-term debt. Commercial paper borrowings, which also accommodate day-to-day changes in funding requirements, are backed by the Credit Facility which may be utilized in the event that commercial paper borrowings are not available. The Company's credit position affords sufficient access to the capital markets to meet the Company's financial requirements.

The Company anticipates that future debt maturities will be funded with cash and cash equivalents and cash flows generated from operating activities and other debt financing. There are no provisions in any of the Company's material financing agreements that would cause an acceleration of the obligation in the event of a downgrade in the Company's debt ratings.

The Company filed a shelf registration statement with the Securities and Exchange Commission registering debt securities, preferred stock and warrants of CBS Corp. that may be issued for aggregate gross proceeds of $5.0 billion. The registration statement was first declared effective on January 8, 2001. The net proceeds from the sale of the offered securities may be used by CBS Corp. for general corporate purposes, including repayment of borrowings, working capital and capital expenditures, or for such other purposes as may be specified in the applicable prospectus supplement. To date, the Company has issued $3.085 billion of securities under the shelf registration statement.

Off-Balance Sheet Arrangements

Prior to the Separation of Former Viacom into CBS Corp. and Viacom Inc., Former Viacom had entered into guarantees with respect to obligations related to Blockbuster Inc. ("Blockbuster"), including certain Blockbuster store leases; Famous Players theater leases; certain UCI theater leases; and certain theater leases related to W.F. Cinema Holdings L.P. and Grauman's Theatres LLC. In connection with the Separation, Viacom Inc. has agreed to indemnify the Company with respect to these guarantees.

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. The outstanding letters of credit and surety bonds approximated $399.0 million at September 30, 2007 and are not recorded on the Consolidated Balance Sheet as of September 30, 2007.

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

Shareholder Derivative Lawsuits and Demands. Two shareholder derivative lawsuits, consolidated as *In re Viacom Inc. Shareholders Derivative Litigation*, were filed in July 2005 in New York State Supreme Court relating to executive compensation and alleged corporate waste. The actions name each member of Former Viacom's Board of Directors at the time the actions were filed, Messrs. Tom Freston and Leslie Moonves (each of whom were executive officers of Former Viacom), and, as a nominal defendant, Former Viacom, alleging that the 2004 compensation of Messrs. Redstone, Freston and Moonves was excessive and unwarranted and challenging the independence of certain Former Viacom directors. Mr. Redstone is the Company's Executive Chairman of the Board of Directors and Founder and Mr. Moonves is the Company's President and Chief Executive Officer. Mr. Freston was formerly Viacom Inc.'s President and Chief Executive Officer. Plaintiffs seek unspecified damages from the members of the Former Viacom Board of Directors for their alleged breach of fiduciary duties, disgorgement of the 2004 compensation paid to the above-named officers of Former Viacom, equitable relief, and attorney fees and expenses. The Company moved to dismiss the complaints and oral argument was heard on February 16, 2006. On June 26, 2006, the court denied the Company's motion to dismiss. The Company's appeal from that decision was argued on January 5, 2007, and the court reserved decision. The trial court proceedings have been stayed pending the resolution of the Company's appeal. In January 2007, a new shareholder derivative action was filed in New York Supreme Court, which contains allegations similar to those in the earlier actions, and was consolidated with *In re Viacom Inc. Shareholders Derivative Litigation*. Also, in January 2007, the parties reached an agreement in principle to settle all of these actions. In April 2007, the parties executed a Stipulation of Settlement, which resolves all of these actions. The Stipulation of Settlement remains subject to court approval. A settlement approval hearing is scheduled for November 13, 2007. The Company believes that the plaintiffs' positions in these actions are without merit and, if the settlement is not approved, it intends to vigorously defend itself in the litigation. Any liabilities of the Company and/or Viacom Inc. in this matter will be shared equally between the Company and Viacom Inc.

The Company has received shareholder demands seeking access to books and records of the Company relating to executive compensation paid to Sumner M. Redstone, Tom Freston and Leslie Moonves, accompanied by statements that such demands are in furtherance of an investigation of possible mismanagement, self-dealing and corporate waste by directors and officers of Former Viacom. Another shareholder demand seeking access to books and records relates to the compensation of Sumner M. Redstone and Mel Karmazin (former Chief Operating Officer of Former Viacom). One of the demands also seeks access to books and records of the Company relating to Sumner M. Redstone's acquisition of a controlling interest in Midway Games Inc. The Company intends to comply with all reasonable requests. Any liabilities of the Company and/or Viacom Inc. in this matter will be shared equally between the Company and Viacom Inc.

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 large 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 September 30, 2007, the Company had pending approximately 72,970 asbestos claims, as compared with approximately 73,310 as of December 31, 2006 and approximately 81,300 as of September 30, 2006. Of the claims pending as of September 30, 2007, approximately 48,260 were pending in state courts, 21,210 in federal courts and, additionally, approximately 3,500 were third party claims pending in state courts. During the third quarter of 2007, the Company received approximately 880 new claims and closed or moved to an inactive docket approximately 800 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. To date, the Company has not been liable for any third party claims. The Company's total costs for the years 2006 and 2005 for settlement and defense of asbestos claims after insurance recoveries and net of tax benefits were approximately $5.7 million and $37.2 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 primarily 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. Claims identified as cancer remain a small percentage of asbestos claims pending at September 30, 2007. 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.

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.

Indecency Regulation. On March 15, 2006, the FCC released certain decisions relating to indecency complaints against certain of the Company's owned television stations and affiliated stations. The FCC ruled in the Super Bowl proceeding and ordered the Company to pay a forfeiture of $550,000. On May 31, 2006, the FCC denied the Company's petition for reconsideration. On July 28, 2006, the Company filed a Petition for Review of the forfeiture and denial of reconsideration with the U.S. Court of Appeals for the Third Circuit and paid the $550,000 forfeiture under protest so that the Company could bring an appeal. The Company has appealed the Super Bowl decision in the U.S. Court of Appeals for the Third Circuit and oral argument was heard on September 11, 2007. The Company is awaiting the court's decision on this matter.

On March 15, 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. Also, on March 15, 2006, as part of an omnibus indecency order, the FCC ruled that a broadcast of *The Early Show* was indecent, but declined to issue a forfeiture. That decision and others were appealed to the U.S. Court of Appeals for the Second Circuit by the Company, as well as the other broadcast networks and their affiliate associations. The court initially remanded the matter to the FCC at the request of the FCC, and, on November 6, 2006, the FCC issued a decision reversing the part of its decision that found *The Early Show* broadcast to be indecent. However, the FCC affirmed its findings that the broadcast of fleeting and isolated expletives on another broadcast network was indecent. In June 2007, the court vacated the FCC's "fleeting expletive" policy on the ground that the FCC failed to articulate a reasoned basis for a change in its longstanding approach in this area, and was therefore impermissibly arbitrary and capricious. The court remanded the case to the FCC for further proceedings consistent with the court's opinion. The FCC has indicated that it will be seeking U.S. Supreme Court review of the court's decision. The FCC's deadline for filing a petition for *certiorari* with the U.S. Supreme Court is November 4, 2007. New legislation has been introduced in

Congress which would, if it becomes law, have the effect of purporting to make future "fleeting expletives" indecent under the FCC's jurisdiction. 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. In a separate matter, a new law increased the maximum forfeiture for a single indecency violation from $32,500 to $325,000, with a maximum forfeiture exposure of $3,000,000 for any continuing violation arising from a single act or failure to act, which new maximum amounts became effective on July 20, 2007.

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., Viacom Inc. has agreed to defend and indemnify the Company in certain litigation in which the Company 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, serves as the Executive Chairman of the Board of Directors for both CBS Corp. and Viacom Inc. At September 30, 2007, NAI beneficially owned CBS Corp.'s Class A Common Stock, representing approximately 78% of the voting power of all classes of CBS Corp.'s Common Stock, and approximately 13% of CBS Corp.'s Class A Common Stock and Class B Common Stock on a combined basis.

Viacom Inc. The separation of former Viacom Inc. ("Former Viacom") into two publicly traded entities, CBS Corp. and new Viacom Inc. ("Viacom Inc.") was completed on December 31, 2005 (the "Separation").

For purposes of governing certain ongoing relationships between CBS Corp. and Viacom Inc. after the Separation, the Company and Viacom Inc. entered into various agreements including a separation agreement (the "Separation Agreement"), tax matters agreement and transition services agreement.

In accordance with the terms of the Separation Agreement, Viacom Inc. paid to the Company an estimated special dividend of $5.4 billion in December 2005, subject to adjustment. During 2006, Viacom Inc. paid to the Company the net undisputed adjustment to the special dividend of $172 million plus net interest of $3.1 million. In January 2007, CBS Corp. and Viacom Inc. resolved the remaining disputed items with respect to the special dividend and Viacom Inc. paid to the Company an additional $170 million, resulting in an aggregate adjustment to the special dividend of $342 million.

During July 2007, the Company purchased 869,145 shares of CBS Corp. Class A and Class B Common Stock from the Viacom Inc. 401(k) Plan for $29.8 million and Viacom Inc. purchased 2,823,178 shares of Viacom Inc. class A and class B common stock from the 401(k) plans sponsored by the Company for $120.0 million.

CBS Corp., through its normal course of business, is involved in transactions with companies owned by or affiliated with Viacom Inc. CBS Corp., through its Television segment, licenses its television products to Viacom Inc., primarily MTV Networks and BET. 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 $88.1 million and $33.8 million for the three months ended September 30, 2007 and 2006, respectively, and $219.7 million and $76.6 million for the nine months ended September 30, 2007 and 2006, respectively.

CBS Corp., through Showtime Networks and CBS Television, purchases motion picture programming from Viacom Inc., primarily Paramount Pictures. The costs of these purchases are initially recorded as programming inventory and amortized over the life of the contract or projected useful life of the programming. In addition, CBS Corp. places advertisements with various subsidiaries of Viacom Inc. The total purchases from these transactions were $45.4 million and $63.1 million for the three months ended September 30, 2007 and 2006, respectively, and $129.2 million and $141.1 million for the nine months ended September 30, 2007 and 2006, 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 September 30, 2007	At December 31, 2006
Amounts due from Viacom Inc.		
Receivables	$ 120.5	$ 187.2
Other assets (Receivables, noncurrent)	238.4	260.7
Total amounts due from Viacom Inc.	$ 358.9	$ 447.9
Amounts due to Viacom Inc.		
Accounts payable	$ 4.1	$ 5.2
Program rights	59.6	56.1
Other liabilities (Program rights, noncurrent)	33.9	10.7
Total amounts due to Viacom Inc.	$ 97.6	$ 72.0

Other Related Parties. The Company owned approximately 18% of Westwood One as of September 30, 2007, which is accounted for by the Company as an equity investment. One member of Westwood One's board of directors is an officer of CBS Radio. CBS Radio receives compensation for providing management services to Westwood One pursuant to a Management Agreement, including the services of a chief executive officer who is an employee of CBS Radio and also serves as a member of Westwood One's board of directors. Westwood One and CBS Radio also are parties to a Representation Agreement (including a related News Programming Agreement, Trademark License Agreement and Technical Services Agreement) pursuant to which Westwood One operates the CBS Radio Networks and CBS Radio is paid an annual fee. The Management Agreement and Representation Agreement expire on March 31, 2009. Certain of the Company's radio stations and Westwood One have affiliation agreements pursuant to which such radio stations air programs and/or commercials supplied by Westwood One and, in return, the stations receive affiliation fees and certain programming cost reimbursements. All such agreements are collectively referred to as the "Existing Agreements." CBS Television also has arrangements with Westwood One to provide news and sports programming to Westwood One. Revenues from the Existing Agreements and these arrangements were approximately $19.5 million and $19.7 million for the three months ended September 30, 2007 and 2006, respectively, and $54.7 million and $60.5 million for the nine months ended September 30, 2007 and 2006, respectively.

On October 2, 2007, CBS Radio and Westwood One entered into definitive agreements relating to the termination, or modification and extension of the Existing Agreements (the "new agreements"). Certain of the new agreements, including the Technical Services Agreement, the News Programming Agreement, the Trademark License Agreement and the affiliation agreements, are extended for a term expiring March 31, 2017. Generally, the new agreements will have no force or effect unless and until closing takes place pursuant to the terms of the new agreements. The closing of the new agreements is subject to, among other conditions, approval by Westwood One stockholders, other than CBS Radio and its affiliates, and Westwood One's securing of new or modifying existing financing pursuant to the new agreements. The arrangements contemplated by the new agreements include, among other things, termination of the Representation Agreement and Management Agreement, which includes relinquishment of all of the Company's seats on the Westwood One board of directors and termination of the Company's outstanding warrants to acquire shares of Westwood One common stock, which are currently out-of-the-money.

Recent Pronouncements

In February 2007, the Financial Accounting Standards Board ("FASB") issued SFAS No. 159 "The Fair Value Option for Financial Assets and Financial Liabilities—Including an amendment of FASB Statement No. 115" ("SFAS 159") effective as of the beginning of the first fiscal year that begins after November 15, 2007. SFAS 159 permits entities to choose to measure many financial instruments and certain other items at fair value. The Company is currently evaluating the impact of the adoption of SFAS 159 on the consolidated financial statements.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements" ("SFAS 157"), effective for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. SFAS 157 establishes a framework for measuring fair value under generally accepted accounting principles and expands disclosures about fair value measurement. The Company is currently evaluating the impact of the adoption of SFAS 157 on the consolidated financial statements.

Adoption of New Accounting Standards

Effective January 1, 2007, the Company adopted FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes—an interpretation of FASB Statement No. 109" ("FIN 48"). FIN 48 clarifies the accounting for uncertainty in income taxes by prescribing a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. In addition, FIN 48 provides guidance on derecognition of income tax positions, classification of income tax liabilities, accounting for interest and penalties associated with unrecognized tax benefits, accounting for uncertain tax positions in interim periods, and income tax disclosures. The adoption of FIN 48 on January 1, 2007 did not have a material impact on the Company's consolidated financial statements.

Total unrecognized tax benefits at the date of adoption of FIN 48 were $227.3 million, of which $184.5 million would affect the Company's effective income tax rates, if and when recognized in future years. The Company does not expect the total amount of unrecognized tax benefits to significantly change during the next twelve months. The Company is continually audited by U.S. federal and state as well as foreign tax authorities. Since it is often difficult to predict the final outcome or the timing of resolution of any particular tax matter, the Company cannot reasonably predict the periods in which cash payments relating to its unrecognized tax benefits are expected to occur.

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, 2006, 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, 2006 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, 2006.

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.

Shareholder Derivative Lawsuits and Demands. Two shareholder derivative lawsuits, consolidated as *In re Viacom Inc. Shareholders Derivative Litigation*, were filed in July 2005 in New York State Supreme Court relating to executive compensation and alleged corporate waste. The actions name each member of Former Viacom's Board of Directors at the time the actions were filed, Messrs. Tom Freston and Leslie Moonves (each of whom were executive officers of Former Viacom), and, as a nominal defendant, Former Viacom, alleging that the 2004 compensation of Messrs. Redstone, Freston and Moonves was excessive and unwarranted and challenging the independence of certain Former Viacom directors. In January 2007, a new shareholder derivative action was filed in New York Supreme Court, which contains allegations similar to those in the earlier actions, and was consolidated with *In re Viacom Inc. Shareholders Derivative Litigation*. Also, in January 2007, the parties reached an agreement in principle to settle all of these actions. In April 2007, the parties executed a Stipulation of Settlement, which resolves all of these actions. The Stipulation of Settlement remains subject to court approval. A settlement approval hearing is scheduled for November 13, 2007. The Company believes that the plaintiffs' positions in these actions are without merit and, if the settlement is not approved, it intends to vigorously defend itself in the litigation. Any liabilities of the Company and/or Viacom Inc. in this matter will be shared equally between the Company and Viacom Inc.

Item 1A. Risk Factors.

The following updates the corresponding risk factor included in the Company's Annual Report on Form 10-K for the year ended December 31, 2006.

The Company Could Be Adversely Affected by Strikes and Other Union Activity

The Company and its suppliers engage the services of writers, directors, actors and other talent, trade employees and others who are subject to collective bargaining agreements. If the Company or its suppliers are unable to renew expiring collective bargaining agreements, it is possible that the affected unions could take action in the form of strikes or work stoppages. Such actions, higher costs in connection with these agreements or a significant labor dispute could adversely affect the Company's television and radio businesses by causing delays in the production of the Company's television or radio programming or the Company's outdoor business by disrupting its ability to place advertising on outdoor faces. On November 1, 2007, the television business' collective bargaining agreement with the Writers Guild of America (East and West) ("WGA") covering freelance writers expired and, on November 5, 2007, the WGA began an industry-wide strike. The Company does not expect the WGA strike to have a significant effect on the Company's operating results for the remainder of 2007. However, depending on their duration, strikes or work stoppages could have an adverse effect on the Company's revenues and operating income.

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

Below is a summary of CBS Corp.'s purchases of its Class A and Class B Common Stock during the three months ended September 30, 2007.

(In millions, except per share amounts)	Total Number of Shares Purchased	Average Price Per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs	Remaining Authorization
July 1, 2007–July 31, 2007[1]	.9	$ 34.27	.9	$ 649.4
August 1, 2007–August 31, 2007	—	—	—	$ 649.4
September 1, 2007–September 30, 2007[2]	50.7	31.58	50.7	$ 649.4
Total	51.6	$ 31.63	51.6	$ 649.4

(1) During July 2007, the Company purchased 21,697 shares of CBS Corp. Class A and 847,448 shares of CBS Corp. Class B Common Stock from the Viacom Inc. 401(k) plan for $29.8 million.

(2) The Company repurchased approximately 50.7 million shares of CBS Corp. Class B Common Stock for $1.60 billion, excluding fees and subject to adjustment, through a $1.60 billion accelerated share repurchase transaction publicly announced on September 4, 2007.

Item 5. Other Information.

On November 1, 2007, the Company's Board of Directors amended the Amended and Restated Bylaws of CBS Corporation (the "Amended Bylaws"), effective that date, to add an advance notice provision to Article II thereof. Pursuant to the amendment, except as otherwise set forth therein, a stockholder of the Company is required to provide advance written notice (a "Stockholder's Notice") and comply with the other requirements and procedures set forth in the Amended Bylaws in order to (1) nominate persons for election to the Company's Board of Directors at an annual meeting of stockholders or (2) present any business or proposal at an annual meeting of stockholders. Based on the anniversary date of the most recent annual meeting of stockholders, a Stockholder's Notice with respect to the 2008 Annual Meeting of Stockholders must be sent and received by the Secretary at the principal executive offices of the Company no later than February 25, 2008 and no earlier than January 24, 2008. The requirements set forth in the Amended Bylaws are in addition to all applicable requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations thereunder with respect to the matters described above and do not affect the requirements for stockholder proposals to be considered for inclusion in the Company's proxy statement relating to the 2008 Annual Meeting of Stockholders pursuant to Rule 14a-8 of the Exchange Act, including the timeframe for submission of stockholder proposals which was published in the Company's 2007 proxy statement. The Amended Bylaws also contain a similar advance notice provision for special meetings of stockholders at which directors are to be elected. The foregoing description of the amendment is qualified in its entirety by reference to the Amended Bylaws which are filed as exhibit 3(b) to this Quarterly Report on Form 10-Q.

Item 6. Exhibits.

Exhibit No.		Description of Document
(3)		Articles of Incorporation and By-laws
	(a)	Amended and Restated Certificate of Incorporation of CBS Corporation, effective December 31, 2005 (incorporated by reference to Exhibit 3(a) to the Annual Report on Form 10-K of CBS Corporation for the fiscal year ended December 31, 2005) (File No. 001-09553).
	(b)	Amended and Restated Bylaws of CBS Corporation effective November 1, 2007 (filed herewith).
(4)		Instruments defining the rights of security holders including indentures
		The instruments defining the rights of holders of the long-term debt securities of CBS Corporation and its subsidiaries are omitted pursuant to section (b)(4)(iii)(A) of Item 601 of Regulation S-K. CBS Corporation hereby agrees to furnish copies of these instruments to the Securities and Exchange Commission upon request.
(10)		Material Contracts
	(a)	Employment Agreement dated October 15, 2007 between CBS Corporation and Leslie Moonves (incorporated by reference to Exhibit 10 to the Current Report on Form 8-K of CBS Corporation filed October 19, 2007) (File No. 001-09553).
	(b)	CBS Corporation 2005 RSU Plan for Outside Directors (as amended and restated through November 1, 2007) (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).

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:	November 5, 2007	/s/ FREDRIC G. REYNOLDS
		Fredric G. Reynolds *Executive Vice President and* *Chief Financial Officer*
Date:	November 5, 2007	/s/ SUSAN C. GORDON
		Susan C. Gordon *Senior Vice President, Controller* *Chief Accounting Officer*

EXHIBIT INDEX

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QuickLinks

QuickLinks -- Click here to rapidly navigate through this document

Exhibit 3(b)
Effective November 1, 2007

**AMENDED AND RESTATED
BYLAWS
OF
CBS CORPORATION**

ARTICLE I

OFFICES

Section 1. The registered offices of the Corporation shall be in the City of Wilmington, County of New Castle, State of Delaware.

Section 2. The Corporation may also have offices at such other places both within and without the State of Delaware as the board of directors may from time to time determine or the business of the Corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 1. Meetings of stockholders may be held at such time and place, within and without the State of Delaware, as shall be stated in the notice of the meeting or in a valid waiver of notice thereof. The annual meeting of stockholders may be held at such place, within or without the State of Delaware, as shall be designated by the board of directors and stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2. The annual meeting of stockholders for the purpose of electing directors and for the transaction of such other business as may properly come before the meeting shall be held at such date and hour as shall be determined by the board of directors.

Section 3. Notice of the annual meeting stating the place, date and hour of the meeting shall be given by any lawful means to each stockholder entitled to vote at such meeting not less than ten nor more than sixty days before the date of the meeting.

Section 4. Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the Amended and Restated Certificate of Incorporation, may be called by the affirmative vote of a majority of the board of directors, the Chairman of the Board, the Chief Executive Officer or the Vice Chair of the Board and shall be called by the Chairman of the Board, the Chief Executive Officer, the Vice Chair of the Board or Secretary at the request in writing of the holders of record of at least 50.1% of the aggregate voting power of all outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, acting together as a single class. Such request shall state the purpose or purposes of the proposed meeting.

Section 5. Notice of a special meeting stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called shall be given by any lawful means not less than ten nor more than sixty days before the date of the meeting to each stockholder of record entitled to vote at such meeting.

Section 6. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

Section 7. The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, at the principal place of business of the Corporation. The list shall also be produced and kept open at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Section 8. The holders of a majority of the aggregate voting power of the shares of the capital stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the Amended and Restated Certificate of Incorporation. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 9. When a quorum is present at any meeting, the vote of the holders of a majority of the aggregate voting power of the shares of the capital stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which, by provision of applicable law or of the Amended and Restated Certificate of Incorporation, a different vote is required in which case such express provision shall govern and control the decision of such question.

Section 10. At every meeting of the stockholders, each stockholder shall be entitled to vote, in person or by a valid proxy given by the stockholder or his duly authorized attorney-in-fact, each share of the capital stock having voting power held by such stockholder in accordance with the provisions of the Amended and Restated Certificate of Incorporation and, if applicable, the certificate of designations relating thereto, but no proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period.

Section 11. Any action required to be taken at any annual or special meeting of the stockholders of the Corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing (or deemed to be in writing under applicable law), setting forth the action so taken, shall be signed by stockholders (or deemed to be signed by stockholders under applicable law) representing not less than the minimum number of votes that would be necessary to authorize or take such actions at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered and dated as required by law. Prompt notice of the taking of such action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing. The Secretary shall file such consents with the minutes of the meetings of the stockholders.

Section 12. At all meetings of stockholders, the chairman of the meeting shall have absolute authority over matters of procedure, and there shall be no appeal from the ruling of the chairman.

Section 13. Attendance of a stockholder, in person or by proxy, at any meeting shall constitute a waiver of notice of such meeting, except where the stockholder, in person or by proxy, attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 14. *Notice of Director Nominations and Stockholder Business.*

(a) Nominations of persons for election to the board of directors of the Corporation and the proposal of business to be considered by the stockholders may be made at an annual meeting of the stockholders only (i) pursuant to the Corporation's notice of the meeting (or any supplement thereto), (ii) by or at the direction of the board of directors, (iii) by any stockholder or stockholders that, pursuant to Section 11 hereof, represent a sufficient number of votes to take such action by written consent without a meeting or (iv) by any stockholder of the Corporation who is a stockholder of record at the time of the giving of the notice provided for in this Section 14, who is entitled to vote at the meeting and who complies fully with the notice requirements and other procedures set forth in this Section 14.

(b) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to Section 14(a)(iv) above, the stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation and any such proposed business, other than the nomination of persons for election to the board of directors, must constitute a proper matter for stockholder action. To be timely, a stockholder's notice must be sent and received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the ninetieth (90th) day, nor earlier than the close of business on the one hundred twentieth (120th) day, prior to the first anniversary of the date of the immediately preceding annual meeting; provided, however, that in the event that the date of the annual meeting is more than thirty (30) days earlier or more than sixty (60) days later than such anniversary date, notice by the stockholder to be timely must be so sent and received not earlier than the close of business on the one hundred twentieth (120th) day prior to such annual meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such annual meeting or the tenth (10th) day following the day on which public announcement of the date of such meeting is first made by the Corporation. In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a stockholder notice as described herein. To be in proper written form, a stockholder's notice to the Secretary shall set forth in writing (i) as to each person whom the stockholder proposes to nominate for election as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (ii) as to any other business that the stockholder proposes to bring before the annual meeting, a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the complete text of any resolutions proposed for consideration or any amendment to any Corporation document intended to be presented at the meeting), the reasons for conducting such business at the annual meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (iii) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (A) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner, (B) the class or series and number of shares of capital stock of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner, (C) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business or nomination and (D) a representation whether the stockholder or the beneficial owner, if any, intends to solicit proxies in support of such nomination or proposal, including whether such stockholder or beneficial owner intends to deliver a proxy statement and form of proxy to holders of, in the case of a proposal, at least the percentage of the Corporation's voting shares required under applicable law to adopt and/or carry out the proposal or, in the case of a nomination or nominations, a sufficient number of holders of the Corporation's voting shares to elect such nominee or nominees. The Corporation may require any proposed nominee to furnish such other information as it may reasonably require in order to determine the eligibility of such proposed nominee to serve as a director of the Corporation.

(c) Notwithstanding anything in this Section 14 to the contrary, in the event that the number of directors to be elected to the board of directors of the Corporation at an annual meeting is increased and there is no public announcement naming all of the nominees for directors or specifying the size of the increased board of directors made by the Corporation at least one hundred (100) days prior to the first anniversary of the date of the immediately preceding annual meeting, a stockholder's notice required by this Section 14 shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be sent and received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth (10^{th}) day following the day on which such public announcement is first made by the Corporation.

(d) Only such business shall be conducted at a special meeting of stockholders as shall have been stated in the Corporation's notice of meeting. Nominations of persons for election to the board of directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (i) by or at the direction of the board of directors, (ii) by any stockholder or stockholders that, pursuant to Section 11 hereof, represent a sufficient number of votes to take such action by written consent without a meeting or (iii) by any stockholder of the Corporation who is a stockholder of record at the time of the giving of the notice provided for in this Section 14, who is entitled to vote at the meeting and who complies fully with the notice requirements and other procedures set forth in this Section 14. In the event that the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the board of directors, any such stockholder entitled to vote in such election of directors may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting, if the stockholder's notice required by paragraph (b) of this Section 14 shall be sent and received by the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the one hundred twentieth (120^{th}) day prior to such special meeting and not later than the close of business on the later of the ninetieth (90^{th}) day prior to such special meeting or the tenth (10^{th}) day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the board of directors to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a stockholder notice as described herein.

(e) Only such persons who are nominated in accordance with the requirements and procedures set forth in this Section 14 shall be eligible and qualified to be elected at an annual or special meeting of stockholders of the Corporation to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 14. Except as otherwise provided by law, the chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the requirements and procedures set forth in this Section 14 (including whether the stockholder or beneficial owner, if any, on whose behalf the nominee or proposal is made solicited (or is part of a group which solicited) or did not so solicit, as the case may be, proxies in support of such stockholder's nominee or proposal in compliance with such stockholder's representation as required by clause (b)(iii)(D) of this Section 14) and, in the event any proposed nomination or business was not so made or proposed in compliance with this Section 14, to declare that such nomination shall be disregarded or that such proposed business shall not be transacted. Notwithstanding the foregoing provisions of this Section 14, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or proposed business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 14, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.

(f) For purposes of this Section 14, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press, or any comparable or successor national news service or in a document publicly filed by the Corporation with the Securities Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(g) Notwithstanding the foregoing provisions of this Section 14, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 14. Nothing in this Section 14 shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 of Regulation 14A under the Exchange Act (or any successor provision thereto).

ARTICLE III

DIRECTORS

Section 1. The number of directors which shall constitute the entire board of directors shall be fixed as set forth in Article V of the Amended and Restated Certificate of Incorporation.

Section 2. Subject to the rights of the holders of any series of Preferred Stock or any other class of capital stock of the Corporation then outstanding (other than Common Stock), vacancies in the board of directors for any reason, including by reason of an increase in the authorized number of directors, shall, if occurring prior to the expiration of the term of office in which the vacancy occurs, be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next annual meeting of stockholders of the Corporation or until their successors are duly elected and shall qualify, unless sooner displaced. If there are no directors in office, then an election of directors may be held in the manner provided by statute.

Section 3. The property and business of the Corporation shall be controlled and managed in accordance with the terms of the Amended and Restated Certificate of Incorporation by its board of directors which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Amended and Restated Certificate of Incorporation or by these bylaws directed or required to be exercised or done by the stockholders.

MEETINGS OF THE BOARD OF DIRECTORS

Section 4. The board of directors of the Corporation, or any committees thereof, may hold meetings, both regular and special, either within or without the State of Delaware.

Section 5. A regular annual meeting of the board of directors, including newly elected directors, shall be held in connection with each annual meeting of stockholders at the place of such stockholders' meeting, and no notice of such meeting to the directors shall be necessary in order legally to constitute the meeting, *provided* that a quorum shall be present. If such meeting is held at any other time or place, notice thereof must be given or waived as hereinafter provided for special meetings of the board of directors.

Section 6. Additional regular meetings of the board of directors shall be held on such dates and at such times and at such places as shall from time to time be determined by the board of directors.

Section 7. The Chairman of the Board, the Chief Executive Officer or the Vice Chair of the Board may call a special meeting of the board of directors at any time by giving notice as provided in these bylaws, specifying the business to be transacted at and the purpose or purposes of the meeting, to each member of the board at least twenty-four (24) hours before the time appointed.

Section 8. At all meetings of the board a majority of the entire board of directors shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the board of directors, except as may be otherwise specifically provided by statute, the Amended and Restated Certificate of Incorporation or these bylaws. If a quorum shall not be present at any meeting of the board of directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 9. Any action required or permitted to be taken at any meeting of the board of directors or of any committee thereof may be taken without a meeting if all members of the board or committee, as the case may be, consent thereto in writing or by electronic transmission, setting forth the action so taken, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the board or committee.

Section 10. Unless otherwise restricted by the Amended and Restated Certificate of Incorporation or these bylaws, members of the board of directors, or any committee thereof, may participate in a meeting of the board of directors, or any committee, by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

COMMITTEES OF DIRECTORS

Section 11. Designation of Committees. The board of directors may, by resolution passed by a majority of the board, designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The board of directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee.

Section 12. Vacancies. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in the place of any such absent or disqualified member.

Section 13. Powers. Any such committee, to the extent provided in the resolution of the board of directors, shall have and may exercise all the powers and authority of the board of directors to the extent provided by Section 141(c) of the General Corporation Law of the State of Delaware as it exists now or may hereafter be amended.

Section 14. Minutes. Each committee of the board of directors shall keep regular minutes of its meetings and report the same to the board of directors when required.

COMPENSATION OF DIRECTORS

Section 15. Unless otherwise restricted by the Amended and Restated Certificate of Incorporation or these bylaws, the board of directors shall have the authority to fix the compensation of directors. All directors may be paid their expenses, if any, of attendance at each meeting of the board of directors, and directors who are not full-time employees of the Corporation may be paid a fixed sum for attendance at each meeting of the board of directors, and/or a stated salary as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation and expenses for attending committee meetings.

REMOVAL OF DIRECTORS

Section 16. Subject to the rights of the holders of any series of Preferred Stock or any other class of capital stock of the Corporation (other than the Common Stock) then outstanding, any or all directors may be removed from office at any time prior to the expiration of his or their term of office, with or without cause, only by the affirmative vote of the holders of record of outstanding shares representing at least a majority of all the aggregate voting power of outstanding shares of capital stock of the Corporation then entitled to vote generally in the election of directors, voting together as a single class at a special meeting of stockholders called expressly for that purpose; *provided* that, any director may be removed from office by the affirmative vote of a majority of the board of directors, at any time prior to the expiration of his term of office, as provided by law, in the event a director is in breach of any agreement between such director and the Corporation relating to such director's service as a director or employee of the Corporation.

ARTICLE IV

NOTICES

Section 1. Whenever, under the provisions of applicable law, the Amended and Restated Certificate of Incorporation or these bylaws, notice is required to be given to (a) any director, it shall be construed to mean oral notice given telephonically or written or printed notice given either personally or by mail, wire or electronic transmission, or (b) any stockholder, it shall be construed to mean written or printed notice given either personally or by mail, wire or electronic transmission in the manner and to the extent provided by Section 232 of the Delaware General Corporation Law, in each case, addressed to such director or stockholder, at his address as it appears on the records of the Corporation, with postage or other charges thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail or at the appropriate office for transmission by wire or, in the case of electronic transmission, at the time specified by Section 232 of the Delaware General Corporation Law.

Section 2. Whenever any notice is required to be given under the provisions of applicable law or of the Amended and Restated Certificate of Incorporation or of these bylaws, a waiver thereof in writing or by electronic transmission, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

Section 3. Attendance at a meeting shall constitute a waiver of notice except where a director or stockholder attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 4. Neither the business to be transacted at, nor the purpose of, any regular meeting of the board of directors need be specified in the notice or waiver of notice of such meeting.

ARTICLE V

OFFICERS

Section 1. The officers of the Corporation shall be elected by the board of directors at its first meeting in connection with each annual meeting of the stockholders and shall be a Chief Executive Officer, a Chief Financial Officer and/or a Treasurer and a Secretary. The board of directors may also elect a Chairman of the Board, one or more Vice Chairmen or Vice Chairs of the Board, one or more Presidents and Vice Presidents and one or more Assistant Treasurers and Assistant Secretaries, and such other officers as the board of directors deems appropriate. Any number of offices may be held by the same person. Vice Presidents may be given distinctive designations such as Executive Vice President or Senior Vice President. At the time of election, the board of directors may determine that the Chairman of the Board shall be a Non-Executive Chairman of the Board or that the Vice Chair of the Board shall be a Non-Executive Vice Chair of the Board.

Section 2. The board of directors may elect such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the board of directors.

Section 3. The officers of the Corporation shall hold office until their successors are elected or appointed and qualify or until their earlier resignation or removal. Any officer elected or appointed by the board of directors may be removed at any time with or without cause by the affirmative vote of majority of the board of directors. Any vacancy occurring in any office of the Corporation shall be filled by the board of directors.

CHAIRMAN OF THE BOARD

Section 4. The Chairman of the Board, if any shall be elected, shall preside at all meetings of the board of directors and the stockholders and shall have such other powers and perform such other duties as may from time to time be assigned to him by the board of directors.

VICE CHAIR OF THE BOARD

Section 5. The Vice Chair of the Board, if any shall be elected, or if there be more than one, the Vice Chairs of the Board in order of their election, shall, in the absence of the Chairman of the Board, or in case the Chairman of the Board shall resign, retire, become deceased or otherwise cease or be unable to act, perform the duties and exercise the powers of the Chairman of the Board. In addition, the Vice Chair of the Board shall have such other powers and perform such other duties as may from time to time be assigned to him by the board of directors.

THE CHIEF EXECUTIVE OFFICER

Section 6. The Chief Executive Officer shall be the chief executive officer of the Corporation and shall have the general powers and duties of supervision, management and control of the business and affairs of the Corporation, subject to the control of the board of directors. The Chief Executive Officer shall perform the duties and exercise the powers incident to the office of Chief Executive Officer and shall have such other powers and perform such other duties as may from time to time be assigned to him by the board of directors or these bylaws.

THE PRESIDENT

Section 7. The President, if any shall be elected, shall, under the direction of the Chief Executive Officer, be responsible for the operations of the Corporation and shall have all the powers, rights, functions and responsibilities normally exercised by a president. The President shall have such other powers and perform such other duties as may from time to time be assigned to the President by the Chief Executive Officer, the board of directors or these bylaws.

THE VICE PRESIDENTS

Section 8. The Vice Presidents, if any shall be elected, shall have such powers and perform such duties as may from time to time be assigned to them by the board of directors or the Chief Executive Officer.

THE SECRETARY AND ASSISTANT SECRETARY

Section 9. The Secretary, if any shall be elected, shall attend all meetings of the board of directors and all meetings of the stockholders and record all the proceedings of the meetings of the Corporation and of the board of directors in a book to be kept for that purpose and shall perform like duties for the standing committees of the board of directors when required. He shall give, or cause to be given, notice of all meetings of the stockholders and the special meetings of the board of directors, and shall perform such other duties as may be prescribed by the board of directors or the Chief Executive Officer, under whose supervision he shall be. He shall have custody of the corporate seal of the Corporation and he, or an Assistant Secretary, shall have authority to affix the same to any instrument requiring it, and when so affixed, it may be attested by his signature or by the signature of such Assistant Secretary. The board of directors may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by his signature.

Section 10. The Assistant Secretary, if any shall be elected, or if there be more than one, the Assistant Secretaries in the order determined by the board of directors (or if there be no such determination, then in the order of their election), shall, in the absence of the Secretary or in the event of his inability or refusal to act, perform the duties and exercise the powers of the Secretary and shall have such other powers and perform such other duties as may from time to time be assigned to them by the board of directors, the Chief Executive Officer or the Secretary.

THE TREASURER AND ASSISTANT TREASURERS

Section 11. The Treasurer, under the supervision of the Chief Executive Officer, shall have charge of the corporate funds and securities and shall keep or cause to be kept full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositaries as may be designated by or at the direction of the board of directors.

Section 12. The Treasurer shall disburse or cause to be disbursed the funds of the Corporation as may be ordered by or at the direction of the Chief Executive Officer or the board of directors, taking proper vouchers for such disbursements, and subject to the supervision of the Chief Executive Officer, shall render to the board of directors, when they or either of them so require, an account of his transactions as Treasurer and of the financial condition of the Corporation.

Section 13. If required by the board of directors, the Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the board of directors for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation.

Section 14. The Assistant Treasurer, if any shall be elected, or if there shall be more than one, the Assistant Treasurers in the order determined by the board of directors (or if there be no such determination, then in the order of their election), shall, in the absence of the Treasurer or in the event of his inability or refusal to act, perform the duties and exercise the powers of the Treasurer and shall have such other powers and perform such other duties as may from time to time be assigned to them by the board of directors, the Chief Financial Officer or the Treasurer.

Section 15. In addition to the corporate officers elected by the board of directors pursuant to this Article V, the Chief Executive Officer may, from time to time, appoint one or more other persons as appointed officers who shall not be deemed to be corporate officers, but may, respectively, be designated with such titles as the Chief Executive Officer may deem appropriate. The Chief Executive Officer may prescribe the powers to be exercised and the duties to be performed by each such appointed officer, may designate the term for which each such appointment is made, and may, from time to time, terminate any or all of such appointments. Such appointments and termination of appointments shall be reported to the board of directors.

ARTICLE VI

TRANSFERS OF STOCK

Section 1. Unless otherwise provided by resolution of the board of directors, each class or series of the shares of capital stock in the Corporation shall be issued in uncertificated form pursuant to the customary arrangements for issuing shares in such form. Shares shall be transferable only on the books of the Corporation by the holder thereof in person or by attorney upon presentment of proper evidence of succession, assignation or authority to transfer in accordance with the customary procedures for transferring shares in uncertificated form.

FIXING RECORD DATE

Section 2. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution, or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the board of directors may fix, in advance, a record date, which shall not be more than sixty nor less than ten days before the date of such meetings, nor more than sixty days prior to any other action. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided*, *however*, that the board of directors may fix a new record date for the adjourned meeting.

REGISTERED STOCKHOLDERS

Section 3. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VII

INDEMNIFICATION OF EMPLOYEES

Section 1. *Right to Indemnification.* The Corporation shall indemnify any present or former employee of the Corporation who was or is involved in or is threatened to be involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was an employee of the Corporation, or is or was serving at the request of the Corporation as an employee of another corporation, limited liability company, partnership, joint venture, trust or other enterprise (such person, an "indemnitee"), to the fullest extent authorized by the General Corporation Law of the State of Delaware, as the same exists or may hereafter be amended (but, in the case of any such amendment and unless applicable law otherwise requires, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment), against judgments, fines, amounts paid in settlement and expenses (including, without limitation, attorneys' fees), actually and reasonably incurred by him in connection with such action, suit or proceeding. Notwithstanding the foregoing, except as provided in Section 7 of this Article VII with respect to proceedings to enforce rights to indemnification and advancement of expenses, the Corporation shall indemnify an indemnitee in connection with a proceeding (or part thereof) initiated by the indemnitee, if and only if the board of directors authorized the bringing of the action, suit or proceeding (or part thereof) in advance of the commencement of the proceeding.

Section 2. *Successful Defense.* To the extent that an indemnitee has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 1 of this Article VII, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including, without limitation, attorneys' fees) actually and reasonably incurred by him in connection therewith.

Section 3. *Advance Payment of Expenses.* Expenses (including attorneys' fees) incurred by an indemnitee in defending any civil, criminal, administrative or investigative action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon such terms and conditions, if any, as the Corporation deems appropriate, by resolution of the board of directors.

Section 4. *Not Exclusive.* The indemnification and advancement of expenses provided by, or granted pursuant to, the other sections of this Article VII shall not be deemed exclusive of any other rights to which a person seeking indemnification or advancement of expenses may be entitled under any statute, bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. Without limiting the foregoing, the Corporation is authorized to enter into an agreement with any employee of the Corporation providing indemnification for such person against expenses, including, without limitation, attorneys' fees, judgments, fines and amounts paid in settlement that result from any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative, including, without limitation, any action, suit or proceeding by or in the right of the Corporation, that arises by reason of the fact that such person is or was an employee of the Corporation, or is or was serving at the request of the Corporation as an employee of another corporation, limited liability company, partnership, joint venture, trust or other enterprise, to the fullest extent allowed by law, except that no such agreement shall provide for indemnification for any actions that constitute fraud, actual dishonesty or willful misconduct.

Section 5. *Insurance.* The Corporation may purchase and maintain insurance on behalf of any person who is or was an employee of the Corporation, or is or was serving at the request of the Corporation as an employee of another corporation, limited liability company, partnership, joint venture, trust or other enterprise, against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article VII.

Section 6. *Certain Definitions.* For the purposes of this Article VII, (a) any employee of the Corporation who shall serve or has served as an employee of any other corporation, limited liability company, partnership, joint venture, trust or other enterprise of which the Corporation, directly or indirectly, is or was a stockholder or creditor, or in which the Corporation is or was in any way interested, or (b) any current or former employee of any subsidiary corporation, limited liability company, partnership, joint venture, trust or other enterprise wholly owned by the Corporation, shall be deemed to be serving as such employee at the request of the Corporation, unless the board of directors of the Corporation shall determine otherwise. In all other instances where any person shall serve or has served as an employee of another corporation, limited liability company, partnership, joint venture, trust or other enterprise of which the Corporation is or was a stockholder or creditor, or in which it is or was otherwise interested, if it is not otherwise established that such person is or was serving as such employee at the request of the Corporation, the board of directors of the Corporation may determine whether such service is or was at the request of the Corporation, and it shall not be necessary to show any actual or prior request for such service. For purposes of this Article VII, references to a corporation include all constituent corporations absorbed in a consolidation or merger (including any constituent of a constituent) as well as the resulting or surviving corporation so that any person who is or was an employee of such a constituent corporation, or is or was serving at the request of such constituent corporation as an employee of another corporation, limited liability company, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article VII with respect to the resulting or surviving corporation as he would if he had served the resulting or surviving corporation in the same capacity. For purposes of this Article VII, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as an employee of the Corporation which imposes duties on, or involves services by, such employee with respect to an employee benefit plan, its participants, or beneficiaries, and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article VII.

Section 7. *Proceedings to Enforce Rights to Indemnification.* (a) If a claim under Section 1 of this Article VII is not paid in full by the Corporation within 60 days after a written claim has been received by the Corporation, or a claim under Section 3 of this Article VII is not paid in full by the Corporation within 30 days after a written claim has been received by the Corporation, the indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. Any such written claim under Section 1 of this Article VII shall include such documentation and information as is reasonably available to the indemnitee and reasonably necessary to determine whether and to what extent the indemnitee is entitled to indemnification. Any written claim under Sections 1, 2 and 3 of this Article VII shall include reasonable documentation of the expenses incurred by the indemnitee.

(b) If successful in whole or in part in any suit brought pursuant to Section 7(a) of this Article VII, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking to the extent an undertaking would be required of a present director or officer of the Corporation pursuant to Article VI of the Amended and Restated Certificate of Incorporation of the Corporation (an "undertaking"), the indemnitee shall also be entitled to be paid and indemnified for the expense of prosecuting or defending such suit.

(c) In (i) any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and (ii) any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking the Corporation shall be entitled to recover such expenses upon a final adjudication that, the indemnitee has not met any applicable standard for indemnification set forth in the General Corporation Law of the State of Delaware. Neither the failure of the Corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the General Corporation Law of the State of Delaware, nor an actual determination by the Corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel or its stockholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article VII or otherwise shall be on the Corporation.

Section 8. *Preservation of Rights.* The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VII shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be an employee of the Corporation, or has ceased to serve at the request of the Corporation as an employee of another corporation, limited liability company, partnership, joint venture, trust or other enterprise, and shall inure to the benefit of the heirs, executors and administrators of such a person. Any repeal or modification of this Article VII by the stockholders of the Corporation entitled to vote thereon shall not adversely affect any right or protection of an employee of the Corporation, or any person serving at the request of the Corporation as an employee of another corporation, limited liability company, partnership, joint venture, trust or other enterprise, existing at the time of such repeal or modification.

ARTICLE VIII

GENERAL PROVISIONS

DIVIDENDS

Section 1. Dividends upon the capital stock of the Corporation, subject to the provisions of the Amended and Restated Certificate of Incorporation, if any, may be declared by the board of directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property or in shares of the capital stock, subject to the provisions of any statute, the Amended and Restated Certificate of Incorporation and these bylaws.

Section 2. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purposes as the directors shall think conducive to the interest of the Corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

CHECKS

Section 3. All checks or demands for money of the Corporation shall be signed by such officer or officers or such other person or persons as the board of directors may from time to time designate.

FISCAL YEAR

Section 4. The fiscal year of the Corporation shall be as specified by the board of directors.

SEAL

Section 5. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE IX

AMENDMENTS

In furtherance of and not in limitation of the powers conferred by statute, the board of directors of the Corporation from time to time may adopt, amend, alter, change or repeal the bylaws of the Corporation; *provided*, that any bylaws adopted, amended, altered, changed or repealed by the board of directors or the stockholders of the Corporation may be amended, altered, changed or repealed by the stockholders of the Corporation. Notwithstanding any other provisions of the Amended and Restated Certificate of Incorporation of the Corporation or these bylaws (and notwithstanding the fact that a lesser percentage may be specified by law, the Amended and Restated Certificate of Incorporation or these bylaws), the affirmative vote of not less than a majority of the aggregate voting power of all outstanding shares of capital stock of the Corporation then entitled to vote generally in this election of directors, voting together as a single class, shall be required for the stockholders of the Corporation to amend, alter, change, repeal or adopt any bylaws of the Corporation.

QuickLinks

Exhibit 10(b)

CBS CORPORATION
2005 RSU PLAN FOR OUTSIDE DIRECTORS
(as amended and restated through November 1, 2007)

ARTICLE I

GENERAL

Section 1.1 Purpose.

The purpose of the CBS Corporation 2005 RSU Plan for Outside Directors (the "Plan") is to benefit and advance the interests of CBS Corporation, a Delaware corporation (the "Company"), and its subsidiaries by obtaining and retaining the services of qualified persons who are not employees of the Company or its subsidiaries to serve as directors and to induce them to make a maximum contribution to the success of the Company and its subsidiaries.

Section 1.2 Definitions.

As used in the Plan, the following terms shall have the following meanings:

(a) "Agreement" shall mean the written agreement or certificate or other documentation governing an Award under the Plan, which shall contain terms and conditions not inconsistent with the Plan and which shall incorporate the Plan by reference.

(b) "Annual RSU Grant" shall have the meaning set forth in Section 2.1.

(c) "Award" shall mean any Director RSU or Dividend Equivalent.

(d) "Board" shall mean the Board of Directors of the Company.

(e) "Class B Common Stock" shall mean the shares of Class B Common Stock, par value $0.001 per share, of the Company.

(f) "Code" shall mean the Internal Revenue Code of 1986, as amended, including any successor law thereto, and the rules and regulations promulgated thereunder from time to time.

(g) "Company" shall have the meaning set forth in Section 1.1.

(h) "Director RSUs" shall mean a contractual right granted to a Participant pursuant to Article II to receive shares of Class B Common Stock, subject to the terms and conditions set forth in the Plan. Director RSUs shall be settled exclusively in Class B Common Stock. Director RSUs include the Initial RSU Grants, the Prorated RSU Grants and the Annual RSU Grants.

(i) "Dividend Equivalent" shall mean a right to receive a payment based upon the value of the regular cash dividend paid on a specified number of shares of Class B Common Stock as set forth in Article III below. Payment in respect of Dividend Equivalents upon settlement shall be in shares of Class B Common Stock except as set forth in Article III below.

(j) "Effective Date" shall mean the effective date of the Plan provided for in Article VII below.

(k) "Fair Market Value" of a share of Class B Common Stock on a given date shall be the closing price on such date on the New York Stock Exchange or other principal stock exchange on which the Class B Common Stock is then listed, as reported by The Wall Street Journal (Northeast edition) as the 4:00 p.m. (New York time) closing price or as reported by any other authoritative source selected by the Company.

(l) "Initial RSU Grant" shall have the meaning set forth in Section 2.1.

(m) "Outside Director" shall mean any member of the Board who is not an employee of the Company or any of its Subsidiaries.

(n) "Participant" shall mean any Outside Director to whom Awards have been granted under the Plan.

(o) "Plan" shall have the meaning set forth in Section 1.1.

(p) "Prorated RSU Grant" shall have the meaning set forth in Section 2.1.

(q) "Separation" shall mean the separation of former Viacom Inc. into two publicly-traded companies, CBS Corporation and new Viacom Inc., which was completed on December 31, 2005.

(r) "Stock Option Plan" shall mean the CBS Corporation 2000 Stock Option Plan for Outside Directors as amended as of December 31, 2005.

(s) "Subsidiary" shall mean a corporation (or a partnership or other enterprise) in which the Company owns or controls, directly or indirectly, more than 50% of the outstanding shares of stock normally entitled to vote for the election of directors (or comparable equity participation and voting power).

Section 1.3 Administration of the Plan.

The Plan shall be administered by the members of the Board who are not Outside Directors and such Board members shall determine all questions of interpretation, administration and application of the Plan. Such Board members' determinations shall be final and binding in all matters relating to the Plan. The Board may authorize any officer of the Company to execute and deliver an Agreement on behalf of the Company to a Participant.

Section 1.4 Eligible Persons.

Awards shall be granted only to Outside Directors.

Section 1.5 Class B Common Stock Subject to the Plan.

Subject to adjustment in accordance with the provisions of Article IV hereof, the maximum number of shares of Class B Common Stock available for Awards made under the Plan, on or after January 1, 2006, when aggregated with the number of shares of Class B Common Stock available for Awards made under the Stock Option Plan, on or after January 1, 2006, shall be 424,759 plus any shares that are available to be regranted pursuant to the last sentence of this Section 1.5. The shares of Class B Common Stock shall be made available from authorized but unissued shares of Class B Common Stock or from shares of Class B Common Stock issued and held in the treasury of the Company. The settlement of any Awards under the Plan in any manner shall result in a decrease in the number of shares of Class B Common Stock which thereafter may be issued for purposes of this Section 1.5 by the number of shares issued upon such settlement. Shares of Class B Common Stock with respect to which Awards lapse, expire or are cancelled without being settled or are otherwise terminated may be regranted under the Plan.

ARTICLE II

RESTRICTED SHARE UNITS

Section 2.1 Grants of Restricted Share Units.

(a) On the date of the Company's 2005 Annual Meeting of Stockholders, each Outside Director as of such date shall automatically be granted a number of Director RSUs determined by dividing (i) $55,000 by (ii) the Fair Market Value of one share of Class B Common Stock on the date of grant, with each fractional RSU rounded up to the next highest whole RSU (the "Initial RSU Grant"). The Initial RSU Grant is made in respect of the period from the date of the Company's 2005 Annual Meeting of Stockholders through January 31, 2006, and only persons who are Outside Directors as of the Company's 2005 Annual Meeting of Stockholders shall be entitled to receive the Initial RSU Grant.

(b) On January 31st of 2006 and 2007, each Outside Director shall automatically be granted a number of Director RSUs determined by dividing (i) $55,000 by (ii) the Fair Market Value of one share of Class B Common Stock on the date of grant, with each fractional RSU rounded up to the next highest whole RSU (an "Annual RSU Grant").

(c) On January 31, 2008 and each January 31st thereafter, each Outside Director shall automatically be granted an Annual RSU Grant determined by dividing (i) $75,000 by (ii) the Fair Market Value of one share of Class B Common Stock on the date of grant, with each fractional RSU rounded up to the next highest whole RSU.

(d) Effective November 1, 2007, in the event that an Outside Director joins the Board following the date of an Annual RSU Grant, but during the calendar year of the grant, such Outside Director shall automatically receive, five (5) business days following the date he or she joins the Board, a Prorated RSU Grant. A "Prorated RSU Grant" shall mean a grant of a number of Director RSUs determined by dividing (i) the product of (a) the value of the Annual RSU Grant for that calendar year divided by 12 and (b) the number of months remaining in such calendar year from the date the Outside Director joins the Board (counting the month of joining as a full month), by (ii) the Fair Market Value of one share of Class B Common Stock on the date of grant, with each fractional RSU rounded up to the next highest whole RSU (the "Prorated RSU Grant").

With respect to calendar year 2007, an Outside Director who joined the Board following the date of the 2007 Annual RSU Grant but prior to November 1, 2007 shall receive a Prorated RSU Grant on November 1, 2007.

(e) With respect to the Initial RSU Grant, each Annual RSU Grant and each Prorated RSU Grant, if the relevant date of grant is not a business day on which the Fair Market Value can be determined, then the Fair Market Value shall be determined as of the last business day preceding the relevant date of grant on which the Fair Market Value can be determined. The terms and conditions of the Director RSUs shall be set forth in an Agreement which shall be delivered to the Participants reasonably promptly following the relevant date of grant of such Director RSUs.

Section 2.2 Vesting.

Director RSUs shall be settled only to the extent the Participant is vested therein. Subject to Section 2.3(b), the Initial RSU Grant and each Annual RSU Grant shall vest on the first anniversary of the relevant date of grant. A Prorated RSU Grant shall vest on the first anniversary of the date of grant of the Annual RSU Grant that was awarded during the calendar year in which the Participant received such Prorated RSU Grant.

Section 2.3 Settlement of Restricted Share Units.

(a) *Settlement.* On the date on which Director RSUs vest, all restrictions contained in the Agreement covering such Director RSUs and in the Plan shall lapse as to such Director RSUs, and the Director RSUs shall be payable in shares of Class B

Common Stock and shall be evidenced in such manner as the Board in its discretion shall deem appropriate, including, without limitation, book-entry registration or issuance of one or more stock certificates. If stock certificates are issued, such certificates shall be delivered to the Participant or such certificates shall be credited to a brokerage account if the Participant so directs; *provided*, *however*, that such certificates shall bear such legends as the Board, in its sole discretion, may determine to be necessary or advisable in order to comply with applicable federal or state securities laws.

(b) *Settlement in the Event of Termination of Services.* If the services of a Participant as a director of the Company terminate for any reason the Participant shall forfeit all unvested Director RSUs as of the date of such event.

(c) *Deferral of Settlement.* Notwithstanding Section 2.3(a), a Participant may elect to defer settlement of any or all Director RSUs to a date subsequent to the vesting date of such Director RSUs, *provided* that, with respect to each Annual RSU Grant, such election to defer is made no later than December 31 of the taxable year prior to the year in which the Outside Director performs the services for which such Director RSUs are granted, with respect to the Initial RSU Grant, such election to defer is made within 30 days of the date of the Company's 2005 Annual Meeting of Stockholders and with respect to each Prorated RSU Grant, such election to defer is made prior to the date of grant, except that, with respect to Prorated RSU Grants for the calendar year 2007, such grants shall not be eligible for deferral. Settlement of any deferred Director RSUs shall be made in a single distribution or three or five annual installments in accordance with the Participant's deferral election. The single distribution or first annual installment, as applicable, will be payable on the later of (i) six months following the date of the Participant's termination of services on the Board for any reason or (ii) January 31 of the calendar year following the calendar year in which the Participant's services on the Board terminates for any reason.

ARTICLE III

DIVIDEND EQUIVALENTS

The Participant shall be entitled to receive Dividend Equivalents on the Director RSUs in the event the Company pays a regular cash dividend with respect to the shares of Class B Common Stock. The Company shall maintain a bookkeeping record that credits the dollar amount of the Dividend Equivalents to a Participant's account on the date that it pays such regular cash dividend on the shares of Class B Common Stock. Dividend Equivalents shall accrue on the Director RSUs until the Director RSUs vest, at which time they shall be paid in shares of Class B Common Stock determined by dividing (i) the aggregate amount credited in respect of such Dividend Equivalents by (ii) the Fair Market Value on the vesting date, with any fractional shares resulting from this calculation rounded up to the next highest whole share. Payment of Dividend Equivalents that have been credited to the Participant's account will not be made with respect to any Director RSUs that do not vest and are cancelled.

In addition, if the Participant elects to defer settlement of the Director RSUs, as permitted under Section 2.3(c), such Director RSUs will continue to earn Dividend Equivalents on the deferred Director RSUs through the settlement date. All such Dividend Equivalents credited to the Participant's account with respect to deferred Director RSUs shall be converted, on the anniversary of the date on which the Director RSUs originally vested and on each anniversary thereof, as appropriate, until the Director RSUs are settled, into additional whole Director RSUs, based on the Fair Market Value of the Class B Common Stock on the respective dates. Such additional Director RSUs shall be deferred subject to the same terms and conditions as the Directors RSUs to which the Dividend Equivalents originally related.

ARTICLE IV

EFFECT OF CERTAIN CORPORATE CHANGES

In the event of any merger, consolidation, stock-split, dividend (other than a regular cash dividend), distribution, combination, recapitalization, reclassification, reorganization, split-off or spin-off that changes the character or amount of the shares of Class B Common Stock or any other changes in the corporate structure, equity securities or capital structure of the Company, the Board shall make such proportionate adjustments to (i) the number and kind of securities subject to any outstanding Awards, (ii) the number and kind of securities subject to the Initial RSU Grant, the Prorated RSU Grants and the Annual RSU Grants referred to in Section 2.1, and (iii) the maximum number and kind of securities available for issuance under the Plan referred to in Section 1.5, in each case, as it deems appropriate. The Board may, in its sole discretion, also make such other adjustments as it deems appropriate in order to preserve, but not increase, the benefits or potential benefits intended to be made available hereunder upon the occurrence of any of the foregoing events. The Board's determination as to what, if any, adjustments shall be made shall be final and binding on the Company and all Participants. Adjustments under this Article shall be conducted in a manner consistent with any adjustments under the Stock Option Plan.

ARTICLE V

MISCELLANEOUS

Section 5.1 No Right to Re-election.

Nothing in the Plan shall be deemed to create any obligation on the part of the Board to nominate any of its members for re-election by the Company's stockholders, nor confer upon any Participant the right to remain a member of the Board for any period of time, or at any particular rate of compensation.

Section 5.2 Restriction on Transfer.

The rights of a Participant with respect to any Awards under the Plan shall not be transferable by the Participant to whom such Awards are granted, except (i) by will or the laws of descent and distribution, (ii) upon prior notice to the Company, for transfers to members of the Participant's immediate family or trusts whose beneficiaries are members of the Participant's immediate family, *provided*, that such transfer is being made for estate and/or tax planning purposes without consideration being received therefore, (iii) upon prior notice to the Company, for transfers to a former spouse incident to a divorce or (iv) for such other transfers as the Board may approve, subject to any conditions and limitations that it may, in its sole discretion, impose.

Section 5.3 Stockholder Rights.

No grant of an Award under the Plan shall entitle a Participant, a Participant's estate or a permitted transferee to any rights of a holder of shares of Class B Common Stock, except upon the delivery of share certificates to a Participant, the Participant's estate or the permitted transferee upon settlement of an Award.

Section 5.4 No Restriction on Right of Company to Effect Corporate Changes.

The Plan shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of stock or of options, warrants or rights to purchase stock or of bonds, debentures, preferred or prior preference stocks whose rights are superior to or affect the shares of Class B Common Stock or the rights thereof or which are convertible into or exchangeable for shares of Class B Common Stock, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

Section 5.5 Headings.

The headings of articles and sections herein are included solely for convenience of reference and shall not affect the meaning of any of the provisions of the Plan.

Section 5.6 Governing Law.

The Plan and all rights hereunder shall be construed in accordance with and governed by the laws of the State of Delaware.

ARTICLE VI

AMENDMENT AND TERMINATION

The Board may at any time and from time to time alter, amend, suspend or terminate the Plan in whole or in part, including, without limitation, amend the provisions for determining the amount of Director RSUs to be issued to an Outside Director, *provided*, *however*, that any amendment which under the requirements of applicable law or under the rules of the New York Stock Exchange or other principal stock exchange on which the shares of Class B Common Stock are then listed must be approved by the stockholders of the Company shall not be effective unless and until such stockholder approval has been obtained in compliance with such law or rule; and no alteration, amendment, suspension or termination of the Plan that would adversely affect a Participant's rights under the Plan with respect to any Award made prior to such action shall be effective as to such Participant unless he or she consents thereto, *provided*, *however*, that no such consent shall be required if the Board determines in its sole discretion that any such alteration, amendment, suspension or termination is necessary or advisable to comply with any law, regulation, ruling, judicial decision or accounting standards or to ensure that Director RSUs or Dividend Equivalents are not subject to federal, state or local income tax prior to settlement.

ARTICLE VII

EFFECTIVE DATE

The Effective Date of the Plan is May 26, 2005, the date on which stockholder approval was first obtained at the Company's 2005 Annual Meeting of Stockholders. The first amendment and restatement thereof became effective as of May 25, 2006, the date on which stockholder approval was obtained at the Company's 2006 Annual Meeting of Stockholders. The second amendment and restatement thereof became effective as of May 23, 2007. The third amendment and restatement thereof became effective as of November 1, 2007. Unless earlier terminated in accordance with Article VI above, the Plan shall terminate on the fifth anniversary of the Effective Date, and no further Awards may be granted hereunder after such date.

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Exhibit 12

CBS CORPORATION AND SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES AND
RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDEND REQUIREMENTS
(Tabular in millions except ratios)

	Nine Months Ended September 30,		Twelve Months Ended December 31,				
	2007	**2006**	**2006**	**2005**	**2004**	**2003**	**2002**
Earnings (loss) before income taxes	$ 1,587.6	$ 1,538.9	$ 2,132.7	$ (7,564.4)	$ (15,850.2)	$ 1,788.2	$ 1,789.4
Add:							
Distributions from affiliated companies	4.9	9.8	8.9	9.5	12.6	1.7	4.1
Interest expense, net of capitalized interest	426.4	424.4	564.5	719.6	693.7	715.0	753.0
Capitalized interest amortized	—	—	—	—	—	—	—
1/3 of rental expense	138.8	135.3	160.9	137.2	123.8	95.1	93.1
Total Earnings (loss)	$ 2,157.7	$ 2,108.4	$ 2,867.0	$ (6,698.1)	$ (15,020.1)	$ 2,600.0	$ 2,639.6
Fixed charges:							
Interest expense, net of capitalized interest	$ 426.4	$ 424.4	$ 564.5	$ 719.6	$ 693.7	$ 715.0	$ 753.0
1/3 of rental expense	138.8	135.3	160.9	137.2	123.8	95.1	93.1
Total fixed charges	$ 565.2	$ 559.7	$ 725.4	$ 856.8	$ 817.5	$ 810.1	$ 846.1
Preferred Stock dividend requirements	—	—	—	—	—	—	—
Total fixed charges and Preferred Stock dividend requirements	$ 565.2	$ 559.7	$ 725.4	$ 856.8	$ 817.5	$ 810.1	$ 846.1
Ratio of earnings to fixed charges	3.8x	3.8x	4.0x	Note a	Note a	3.2x	3.1x
Ratio of earnings to combined fixed charges and Preferred Stock dividend requirements	3.8x	3.8x	4.0x	Note a	Note a	3.2x	3.1x

Note:

(a) Earnings are inadequate to cover fixed charges due to the 2005 and 2004 non-cash impairment charges of $9.48 billion and $18.0 billion, respectively. The dollar amounts of the cover deficiencies are $7.55 billion and $15.84 billion in 2005 and 2004,

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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: November 5, 2007

/s/ LESLIE MOONVES

Leslie Moonves
President and Chief Executive Officer

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Exhibit 31(b)

CERTIFICATION

I, Fredric G. Reynolds, 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: November 5, 2007

/s/ FREDRIC G. REYNOLDS

Fredric G. Reynolds
Executive Vice President and
Chief Financial Officer

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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 Quarterly Report of CBS Corporation (the "Company") on Form 10-Q for the period ending September 30, 2007 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
November 5, 2007

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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 Quarterly Report of CBS Corporation (the "Company") on Form 10-Q for the period ending September 30, 2007 as filed with the Securities and Exchange Commission (the "Report"), I, Fredric G. Reynolds, 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/ FREDRIC G. REYNOLDS

Fredric G. Reynolds
November 5, 2007