

CBS CORP
Form 424B3
October 14, 2009

Table of Contents

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

**Filed Pursuant to Rule 424(b)(3)
Registration File No. 333-154962**

**SUBJECT TO COMPLETION
PRELIMINARY PROSPECTUS SUPPLEMENT, DATED OCTOBER 14, 2009**

**PROSPECTUS SUPPLEMENT
(To Prospectus dated October 14, 2009)**

Shares

Class B Common Stock

National Amusements, Inc. (NAI), through its wholly-owned subsidiary, NAIRI, Inc. (the selling stockholder), is offering a number of its shares of Class B Common Stock of CBS Corporation, which is intended to result in offering proceeds of approximately \$315 million (or approximately \$347 million if the over-allotment option described below is exercised in full). Simultaneously with this offering, NAI, through the selling stockholder, is offering a number of its shares of Class B Common Stock of Viacom Inc., which is intended to result in offering proceeds of approximately \$545 million (or approximately \$600 million if the over-allotment option with respect to that offering is exercised in full). NAI does not intend to have the aggregate offering proceeds from this offering and the Viacom offering exceed \$860 million (or approximately \$947 million if the over-allotment option described below and with respect to the Viacom offering are exercised in full), and intends to retain in excess of 75% of the voting control of each of CBS and Viacom after giving effect to the respective offerings.

We will not receive any of the proceeds from the sale of shares of Class B Common Stock by the selling stockholder in this offering

Our Class B Common Stock is listed on The New York Stock Exchange under the symbol CBS. The last reported sale price on October 13, 2009 was \$12.15 per share.

Investing in our common stock involves risks which are described in the Risk Factors section beginning on page I-22 of our Annual Report on Form 10-K for the year ended December 31, 2008 and in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2009 and June 30, 2009, each of which is incorporated by reference herein, and on page S-4 of this prospectus supplement.

	Per Share	Total
Public offering price	\$	\$
Underwriting discount	\$	\$
Proceeds, before expenses, to the selling stockholder	\$	\$

The underwriters have a 30-day option to purchase a maximum of additional Class B Common Stock shares to cover over-allotments of shares.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares of Class B Common Stock to purchasers on or about October , 2009 through the book-entry facilities of The Depository Trust Company.

Sole Bookrunner and Joint Lead Manager

Citi

Joint Lead Manager

J.P. Morgan

Prospectus Supplement dated October , 2009

TABLE OF CONTENTS

Prospectus Supplement

	Page
<u>Cautionary Statement Concerning Forward-Looking Statements</u>	ii
<u>Summary</u>	S-1
<u>Risk Factors</u>	S-4
<u>Use of Proceeds</u>	S-7
<u>Price Range of Our Common Stock</u>	S-8
<u>Dividends</u>	S-8
<u>Selling Stockholder</u>	S-9
<u>Material United States Federal Tax Considerations for Non-United States Holders</u>	S-10
<u>Underwriting (Conflicts of Interest)</u>	S-13
<u>Where You Can Find Additional Information</u>	S-17
<u>Legal Matters</u>	S-18
<u>Experts</u>	S-18

Prospectus

<u>About This Prospectus</u>	1
<u>Where You Can Find Additional Information</u>	1
<u>The Company</u>	3
<u>The Guarantor</u>	3
<u>Risk Factors</u>	4
<u>Ratio of Earnings to Fixed Charges</u>	4
<u>Use of Proceeds</u>	4
<u>Description of the Debt Securities</u>	5
<u>Description of Preferred Stock</u>	16
<u>Description of Common Stock</u>	19
<u>Description of Warrants</u>	21
<u>Plan of Distribution</u>	23
<u>Legal Matters</u>	24
<u>Experts</u>	24

In this prospectus supplement, we use the terms the Company, we, us and our to refer to CBS Corporation. The term NAI refers to National Amusements, Inc., a closely held corporation that wholly owns the selling stockholder, and which has voting control of us through its beneficial ownership of our voting Class A Common Stock.

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus authorized by CBS Corporation. None of CBS Corporation, the selling stockholder or any of the underwriters has authorized anyone to provide you with different or additional information. If anyone provides you with different or additional information, you should

not rely on it. You should not assume that the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus is accurate as of any date other than their respective dates. Our business, financial condition, results of operations and prospects may have changed since then. None of CBS Corporation, the selling stockholder or any of the underwriters is making an offer to sell the shares of capital stock in any jurisdiction where the offer or sale is not permitted.

We provide information to you about the shares of Class B Common Stock in two separate documents, this prospectus supplement and the accompanying prospectus. To the extent there is a conflict between the information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus, on the other hand, the information contained in this prospectus supplement shall control. If any statement in this prospectus supplement conflicts with any statement in a document that has been incorporated herein by reference, then you should consider only the statement in the more recent document.

Table of Contents

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus contain 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, as amended (the Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act). These forward-looking statements are not based on historical facts, but rather reflect our 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 our 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 our actual results, performance or achievements 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 our programming;

changes in technology and its effect on competition in our markets;

changes in the Federal Communications laws and regulations;

the impact of piracy on our products;

the impact of consolidation in the market for our programming;

other domestic and global economic, business, competitive and/or regulatory factors affecting our businesses generally; and

other factors described in our news releases and filings with the Securities and Exchange Commission (the SEC) including but not limited to the factors under the heading Risk Factors in our Form 10-K for the year ended December 31, 2008 and in our Form 10-Q for the quarters ended March 31, 2009 and June 30, 2009, each of which is incorporated by reference herein.

There may be additional risks, uncertainties and factors that we do not currently view as material or that are not necessarily known. The forward-looking statements included in this prospectus supplement are only made as of the date of this prospectus supplement, and any forward-looking statements incorporated by reference herein are made only as of the date of the incorporated document. We expressly disclaim any obligation to update any forward-looking statement to reflect subsequent events or circumstances, except as otherwise required by applicable law or the rules and regulations promulgated by the SEC.

You should review carefully all information, including the financial statements and the notes to the financial statements, included or incorporated by reference into this prospectus supplement and the accompanying prospectus.

Further information concerning CBS Corporation and its businesses, including factors that potentially could materially affect CBS Corporation's financial results, is included in news releases and other filings with the SEC, and investors

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are encouraged to review these news releases and filings. Actual results could differ materially from expectations expressed in the forward-looking statements if one or more of the underlying assumptions and expectations proves to be inaccurate or is unrealized. CBS Corporation does not undertake responsibility for updating any of such information, whether as a result of new information, future events, or otherwise, except as required by law.

Table of Contents

SUMMARY

CBS Corporation

We are a mass media company with operations in the following segments:

TELEVISION: The Television segment consists of CBS Television, comprised of the *CBS*[®] Television Network, our 30 owned broadcast television stations, CBS Television Studios and CBS Television Distribution, our television production and syndication operations; *Showtime*[®] Networks, our premium subscription television program services; and *CBS College Sports Network*[™], our cable network devoted to college athletics.

RADIO: The Radio segment owns and operates 130 radio stations in 28 U.S. markets through *CBS Radio*[®].

OUTDOOR: The Outdoor segment displays advertising on media, including billboards, transit shelters, buses, rail systems (in-car, station platforms and terminals), mall kiosks and stadium signage principally through *CBS Outdoor*[®] and in retail stores through *CBS Outernet*[™].

INTERACTIVE: The Interactive segment is the Company's online content network for information relating to technology, entertainment, sports, news, business, gaming and music. CBS Interactive's brands include *CNET*[®], *CBS.com*[™], *CBSSports.com*[™], *GameSpot*[®], *TV.com*[™], *BNET*[™] and *Last.fm*[®].

PUBLISHING: The Publishing segment consists of *Simon & Schuster*, which publishes and distributes consumer books under imprints such as *Simon & Schuster*[®], *Pocket Books*[®], *Scribner*[®] and *Free Press*[™].

For the quarter ended June 30, 2009, contributions to CBS Corporation's consolidated revenues from its segments were as follows: Television 65%, Radio 11%, Outdoor 14%, Interactive 4% and Publishing 6%. For the year ended December 31, 2008, contributions to CBS Corporation's consolidated revenues from its segments were as follows: Television 64%, Radio 11%, Outdoor 16%, Interactive 3% and Publishing 6%. We generated approximately 16% of our total revenues from international regions in 2008. For the year ended December 31, 2008, approximately 66% and 16% of total international revenues of approximately \$2.25 billion were generated in Europe and Canada, respectively.

We were organized under the laws of the State of Delaware in 1986. Our principal offices are located at 51 West 52nd Street, New York, New York 10019, our telephone number is (212) 975-4321 and our website address is www.cbscorporation.com. However, the information contained in or connected to our website is not part of this prospectus supplement or the accompanying prospectus.

Table of Contents

The Offering

Issuer	CBS Corporation
Selling stockholder	NAIRI, Inc., a wholly-owned subsidiary of NAI.
Class B Common Stock offered by the selling stockholder	shares.
Class B Common Stock subject to over-allotment option	additional shares.
Class B Common Stock to be outstanding after the offering	shares (shares if the underwriters exercise their over-allotment option in full).
Use of proceeds	We will not receive any of the proceeds from the sale of shares of Class B Common Stock by the selling stockholder.
New York Stock Exchange symbol	CBS
Conflicts of Interest	The underwriters or their affiliates may receive proceeds from this offering if they are lenders under NAI's credit facilities. Because more than 5% of the proceeds of this offering, not including underwriting compensation, may be received by affiliates of the underwriters in this offering, this offering is being conducted in compliance with the NASD Rule 2720, as administered by Financial Industry Regulatory Authority (FINRA). Pursuant to this rule, the appointment of a qualified independent underwriter is not necessary in connection with this offering, as the offering is of a class of securities having a bona fide public market as contemplated by such rule.
Risk factors	Investing in our Class B Common Stock involves risks. See the Risk Factors sections of our Annual Report on Form 10-K for the year ended December 31, 2008 and our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2009 and June 30, 2009, and on page S-4 of this prospectus supplement for a description of certain risks you should consider before investing in our Class B Common Stock.

The number of shares of our Class B Common Stock outstanding after giving effect to this offering (including the selling stockholder's conversion of a portion of its shares of our Class A Common Stock into shares of our Class B Common Stock, as described herein) is based on 619,657,119 shares outstanding as of September 30, 2009 and assumes no exercise of outstanding stock options or vesting of outstanding restricted stock units after that date. Each of 57,674,491 shares of our Class A Common Stock outstanding as of September 30, 2009 is convertible at the option of the holder into one share of our Class B Common Stock. Unless we indicate otherwise, all information in this prospectus supplement with respect to outstanding shares of our Class B Common Stock as of September 30, 2009 excludes:

45,880,579 shares of Class B Common Stock issuable upon the exercise of stock options granted to our employees and directors, of which 22,925,377 shares were exercisable at a weighted average exercise price of

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\$30.23 as of September 30, 2009;

19,160,522 shares of Class B Common Stock issuable upon vesting of outstanding restricted stock units;

786,945 shares of Class B Common Stock issuable upon vesting of outstanding performance share units at their target level;

68,720,593 shares of Class B Common Stock available for future equity grants under any of the Company's equity plans as of September 30, 2009; and

S-2

Table of Contents

57,674,491 shares of Class B Common Stock issuable upon conversion of our Class A Common Stock.

Except as otherwise noted, all information in this prospectus supplement assumes no exercise of the underwriters option to purchase additional shares. After giving effect to this offering and the selling stockholder's conversion of certain shares of its Class A Common Stock to shares of Class B Common Stock (on a one-for-one basis), NAI will beneficially own shares of our Class A Common Stock representing approximately % of the voting power of all classes of our common stock, and approximately % of our Class A Common Stock and Class B Common Stock on a combined basis.

S-3

Table of Contents

RISK FACTORS

For a discussion of risks related to us, see Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2008 and in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2009 and June 30, 2009, each of which is incorporated by reference herein. See Where You Can Find Additional Information.

NAI has advised us that it has pledged all of its shares of our Class A Common Stock and our Class B Common Stock as collateral to secure its obligations under its credit facilities and certain other obligations.

As part of a restructuring of NAI's credit facilities and certain other obligations, in May 2009, NAI advised us that it had pledged substantially all of its assets, including the shares of our Class A Common Stock and our Class B Common Stock that it owns, to secure those obligations. NAI has advised us that it intends to use the proceeds from this offering to partially repay NAI's creditors. However, the proceeds will not be sufficient to repay the creditors in full, and the pledge of the Class A Common Stock that the selling stockholder will continue to own is expected to remain in place. After giving effect to this offering, as of September 30, 2009, NAI would have had _____ shares of Class A Common Stock pledged. Such shares of our Class A Common Stock are convertible into an equal number of shares of our Class B Common Stock. If NAI defaults on its remaining obligations and the creditors foreclose on the collateral, the creditors or anyone to whom the creditors transfer such shares could convert such shares of our Class A Common Stock into shares of our Class B Common Stock and sell such shares, which sale could adversely affect our share price. Additionally, if the creditors foreclose on the pledged shares of our Class A Common Stock, NAI will no longer own those shares and will therefore no longer have voting control of us.

Sales of additional shares of our Class B Common Stock by NAI could adversely affect the stock price.

Sales of additional shares of our Class B Common Stock by NAI could adversely affect the stock price. NAI has advised us that it intends to use the proceeds from this offering to partially repay NAI's creditors and while it does not currently intend to further reduce its ownership levels in CBS after this offering, there can be no assurance that NAI at some future time will not sell additional shares of our stock, which could adversely affect our share price.

NAI, through its voting control of us, is in a position to control actions that require stockholder approval.

NAI, through its beneficial ownership of our Class A Common Stock, has voting control of us. Mr. Sumner M. Redstone, the controlling stockholder, chairman of the board of directors and chief executive officer of NAI, serves as Executive Chairman of our Board of Directors, and Ms. Shari Redstone, the president and a director of NAI, serves as Vice Chair of our Board of Directors. In addition, Mr. David R. Andelman is a director of NAI and serves as one of our directors. NAI is in a position to control the outcome of corporate actions that require stockholder approval, including the election of directors and transactions involving a change of control. Other stockholders are unable to affect the outcome of our corporate actions for so long as NAI retains voting control.

Certain members of management, directors and stockholders may face actual or potential conflicts of interest.

Our management and directors may own both our common stock and Viacom Inc. common stock, and both we and Viacom Inc. are controlled by NAI. Mr. Redstone, the controlling stockholder, chairman of the board of directors and chief executive officer of NAI, serves as Executive Chairman of our Board of Directors and executive chairman of Viacom Inc.'s board of directors. Ms. Redstone, the president and a director of NAI, serves as Vice Chair of the Board of Directors of each of us and Viacom Inc. Mr. David R. Andelman is a director of NAI and serves as one of our directors. This ownership overlap and these common directors could create, or appear to create,

Table of Contents

potential conflicts of interest when we and Viacom Inc.'s management, directors and controlling stockholder face decisions that could have different implications for us and Viacom Inc. For example, potential conflicts of interest could arise in connection with the resolution of any dispute between us and Viacom Inc. regarding the terms of the agreements governing the separation between us and Viacom Inc. and the relationship between us and Viacom Inc. thereafter. These agreements include, among others, the Separation Agreement, the Tax Matters Agreement, the transition services agreement and any commercial agreements between the parties or their affiliates. On occasion, we and Viacom Inc. may compete with each other in various commercial enterprises. Potential conflicts of interest could also arise if we and Viacom Inc. enter into any commercial arrangements with each other in the future. Each of Mr. Redstone and Ms. Redstone may also face conflicts of interest with regard to the allocation of his or her time between us and Viacom Inc. Our certificate of incorporation contains provisions related to corporate opportunities that may be of interest to both us and Viacom Inc. Our certificate of incorporation provides that in the event that a director, officer or controlling stockholder of ours who is also a director, officer or controlling stockholder of Viacom Inc. acquires knowledge of a potential corporate opportunity for both us and Viacom Inc., such director, officer or controlling stockholder may present such opportunity to us or Viacom Inc. or both, as such director, officer or controlling stockholder deems appropriate in his or her sole discretion, and that by doing so such person will have satisfied his or her fiduciary duties to us and its stockholders. In addition, our certificate of incorporation provides that we renounce any interest in any such opportunity presented to Viacom Inc. These provisions create the possibility that a corporate opportunity of one of such companies may be used for the benefit of the other company.

Many factors may cause the stock price of our Class B Common Stock to fluctuate.

The stock price of our Class B Common Stock may fluctuate significantly as a result of many factors. These factors, some or all of which are beyond our control, include:

actual or anticipated fluctuations in our operating results;

changes in expectations as to our future financial performance or changes in financial estimates of securities analysts;

success of our operating and growth strategies;

investor anticipation of strategic, technological or regulatory threats, whether or not warranted by actual events;

operating and stock price performance of other comparable companies; and

realization of any of the risks described in these risk factors.

In addition, the stock market has experienced volatility that often has been unrelated or disproportionate to the operating performance of particular companies. These broad market and industry fluctuations may adversely affect the trading prices of our common stock, regardless of our actual operating performance.

Dividends and dividend rates cannot be guaranteed.

The overall weakened economy and turmoil in the credit and capital markets may cause companies to recalibrate their business plans with a renewed focus on liquidity and maintenance of a strong balance sheet. Our Board of Directors assesses these and other relevant factors when considering the declaration of a dividend on our Class B Common Stock. We cannot guarantee that we will continue to declare dividends, including at the same or similar rates.

Potential Liabilities Related to Legal Matters Could Adversely Impact Our Financial Condition

We regularly defend lawsuits and proceedings and respond to various investigations and inquiries from federal, state and local authorities. Recently, on October 2, 2009, a shareholder derivative complaint, Hatcher v. CBS, et. al., was filed in the United States District Court for the Southern District of New York naming the Company, as a nominal defendant, members of the board of directors and certain current and former executives as defendants. The Hatcher complaint alleges that the defendants breached their fiduciary duties by failing to timely write down the value of certain of the Company's assets. The Hatcher complaint relates to the same or similar allegations in the

S-5

Table of Contents

class action described in our Quarterly Report filed on Form 10-Q for the quarter ending June 30, 2009, for which we filed a motion to dismiss on July 13, 2009. The Hatcher complaint seeks, among other things, unspecified compensatory damages, restitution from the defendants with respect to compensation, benefits and profits obtained, and the institution of certain reforms to the Company's internal control functions. The Company intends to ask the court to dismiss the Hatcher complaint on various grounds.

While we believe adverse outcomes in the matters referred to above are unlikely, it is possible that adverse outcomes in such matters or other lawsuits, proceedings or investigations to which we are a party could have a material adverse effect on our financial position, operating performance or cash flow.

S-6

Table of Contents

USE OF PROCEEDS

We will not receive any of the proceeds from the sale of the shares of our Class B Common Stock by the selling stockholder.

S-7

Table of Contents**PRICE RANGE OF OUR COMMON STOCK**

Our Class B Common Stock is listed on the New York Stock Exchange under the symbol CBS. The following table sets forth, for the periods indicated, the high and low intraday prices of our Class B Common Stock as reported by the New York Stock Exchange.

	High	Low
Fiscal Year Ended 2009		
Fourth Quarter (through October 13, 2009)	\$ 12.70	\$ 11.29
Third Quarter	\$ 13.16	\$ 5.65
Second Quarter	\$ 9.15	\$ 3.65
First Quarter	\$ 9.19	\$ 3.06

	High	Low
Fiscal Year Ended 2008		
Fourth Quarter	\$ 14.61	\$ 4.36
Third Quarter	\$ 19.40	\$ 14.02
Second Quarter	\$ 25.00	\$ 19.10
First Quarter	\$ 27.18	\$ 21.00

	High	Low
Fiscal Year Ended 2007		
Fourth Quarter	\$ 32.20	\$ 25.57
Third Quarter	\$ 35.75	\$ 28.76
Second Quarter	\$ 34.02	\$ 30.46
First Quarter	\$ 32.27	\$ 28.45

On October 13, 2009, the closing sale price of our Class B Common Stock was \$12.15.

DIVIDENDS

We paid a quarterly cash dividend of \$0.05 per share on our Class A Common Stock and Class B Common Stock on April 1, 2009 and July 1, 2009. We declared a quarterly cash dividend on our Class A and Class B Common Stock during each of the four quarters of 2008 and 2007, resulting in total dividends of \$725.9 million and \$667.1 million, respectively. See Risk Factors Dividends and dividend rates cannot be guaranteed.

Table of Contents**SELLING STOCKHOLDER**

The following table, which was prepared based on information supplied to us by the selling stockholder, sets forth the name of the selling stockholder, the number of shares of our Class B Common Stock beneficially owned by the selling stockholder and the number of shares to be offered by the selling stockholder pursuant to this prospectus supplement. The table also provides information regarding the beneficial ownership of our Class B Common Stock by the selling stockholder as adjusted to reflect the assumed sale of all of the shares of Class B Common Stock offered under this prospectus supplement.

The number of shares disclosed in the table below as beneficially owned are those beneficially owned as determined under the rules of the SEC. Such information is not necessarily indicative of ownership for any other purpose. Under the rules of the SEC, a person is deemed to be a beneficial owner of a security if that person has or shares voting power, which includes the power to vote or to direct the voting of such security, or investment power, which includes the power to dispose of or to direct the disposition of such security. A person may also be deemed to be the beneficial owner of a security if that person has the right to acquire beneficial ownership of such security within 60 days, including but not limited to any right to acquire through the conversion of a security.

The percentage of beneficial ownership is based on (i) 619,657,119 shares of our Class B Common Stock outstanding as of September 30, 2009, and (ii) as of September 30, 2009, the selling stockholder's ownership of 22,809,527 shares of Class B Common Stock, and 46,829,414 shares of Class B Common Stock that the selling stockholder would receive assuming conversion of all of such stockholder's 46,829,414 shares of Class A Common Stock. NAI advised us that it intends to retain in excess of 75% of the voting control of CBS after giving effect to this offering. Sumner Redstone is the beneficial owner of the controlling interest in NAI and, accordingly, beneficially owns all such shares. Mr. Redstone is the Executive Chairman of our Board of Directors and our founder. Mr. Redstone's daughter, Ms. Shari Redstone, is the president and a director of NAI, and serves as Vice Chair of our Board of Directors. This table below does not include any shares of CBS common stock personally held by Mr. Redstone or Ms. Redstone.

Name of Selling Stockholder	Beneficial Ownership Prior to Offering		Number of Shares Offered Hereby	Beneficial Ownership After Offering	
	Number of Shares of Class B Common Stock	Percentage		Number of Shares of Class B Common Stock	Percentage
NAIRI, Inc.(1)	69,638,941	10.45%	(2)		%

- (1) The address of the selling stockholder is 846 University Ave., Norwood, MA 02062-2631. Based on information received from NAI, all of the shares of Class A Common Stock and Class B Common Stock owned by NAIRI, Inc. are pledged to NAI's creditors in connection with the agreement to restructure NAI's indebtedness. The pledge over the shares being sold in this offering will be released in connection with such sale.

- (2) Includes shares of CBS Class B Common Stock received upon conversion of a portion of the selling stockholder's shares of CBS Class A Common Stock.

S-9

Table of Contents

**MATERIAL UNITED STATES FEDERAL TAX CONSIDERATIONS
FOR NON-UNITED STATES HOLDERS**

The following discussion is a general summary of certain material U.S. federal income and estate tax consequences of the ownership and disposition of the shares of our Class B Common Stock offered hereby (the common stock) applicable to Non-U.S. Holders. As used herein, a Non-U.S. Holder means a beneficial owner of our common stock that is neither a U.S. Holder, as defined below, nor an entity or arrangement treated as a partnership for U.S. federal income tax purposes, and that will hold shares of our common stock as capital assets (i.e., generally, for investment). As used herein, a U.S. Holder means a beneficial owner of our common stock that is, for U.S. federal income tax purposes, any of the following:

an individual who is a citizen or resident of the United States;

a corporation (or other business entity treated as a corporation for U.S. federal income tax purposes) created or organized in the United States or under the laws of the United States, any state thereof or the District of Columbia;

an estate the income of which is includible in gross income for U.S. federal income tax purposes regardless of source; or

a trust that (A) is subject to the primary supervision of a court within the United States and the control of one or more U.S. persons or (B) otherwise has validly elected to be treated as a U.S. person for U.S. federal income tax purposes.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds shares of our common stock, the U.S. federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. Such partner or partnership should consult its independent tax advisor as to its tax consequences relating to the ownership and disposition of our common stock.

This summary does not consider specific facts and circumstances that may be relevant to a particular Non-U.S. Holder's tax position and does not consider U.S. state and local or non-U.S. tax consequences. It also does not consider Non-U.S. Holders subject to special tax treatment under the U.S. federal income tax laws (including partnerships or other pass-through entities, banks and insurance companies, dealers in securities, holders of our common stock held as part of a straddle, hedge, conversion transaction or other risk-reduction transaction, controlled foreign corporations, passive foreign investment companies, companies that accumulate earnings to avoid U.S. federal income tax, foreign tax-exempt organizations, former U.S. citizens or residents, persons who hold or receive common stock as compensation and persons subject to the alternative minimum tax). This summary is based on provisions of the U.S. Internal Revenue Code of 1986, as amended (the Code), applicable Treasury regulations, administrative pronouncements of the U.S. Internal Revenue Service (the IRS), and judicial decisions, all as in effect on the date hereof, and all of which are subject to change, possibly on a retroactive basis, and different interpretations. We have not obtained, nor do we intend to obtain, any ruling from the IRS or opinions of counsel with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS will agree with the statements and conclusions set forth below, or that if the IRS were to challenge such conclusions, such challenge would not be sustained by a court.

This summary is included herein as general information only. Accordingly, each prospective Non-U.S. Holder is urged to consult its own tax advisor with respect to the U.S. federal, state, local and non-U.S. income, estate

and other tax consequences of holding and disposing of our common stock.

U.S. Trade or Business Income

For purposes of this discussion, dividend income and gain on the sale or other taxable disposition of our common stock will be considered to be U.S. trade or business income if such dividend income or gain is (i) effectively connected with the conduct by a Non-U.S. Holder of a trade or business within the United States and (ii) in the case of a Non-U.S. Holder that is eligible for the benefits of an income tax treaty with the United States, attributable to a permanent establishment maintained by the Non-U.S. Holder in the United States. Generally, U.S. trade or business income is not subject to U.S. federal withholding tax (provided the Non-U.S. Holder complies

S-10

Table of Contents

with applicable certification and disclosure requirements); instead, U.S. trade or business income is subject to U.S. federal income tax on a net income basis at regular U.S. federal income tax rates in the same manner as a U.S. person. Any U.S. trade or business income received by a Non-U.S. Holder that is a corporation also may be subject to an additional branch profits tax at a 30% rate, or at a lower rate prescribed by an applicable income tax treaty, under specific circumstances.

Dividends

Distributions of cash or property that we pay on our common stock will be taxable as dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). A Non-U.S. Holder generally will be subject to U.S. federal withholding tax at a 30% rate, or at a reduced rate prescribed by an applicable income tax treaty, on the gross amount of any dividends received in respect of our common stock. If the amount of a distribution exceeds our current and accumulated earnings and profits, such excess first will be treated as a tax-free return of capital to the extent of the Non-U.S. Holder's tax basis in our common stock (with a corresponding reduction in such Non-U.S. Holder's tax basis in our common stock), and thereafter will be treated as capital gain. In order to obtain a reduced rate of U.S. federal withholding tax under an applicable income tax treaty, a Non-U.S. Holder will be required to provide a properly executed IRS Form W-8BEN (or appropriate substitute or successor form) certifying its entitlement to benefits under the treaty. A Non-U.S. Holder of our common stock that is eligible for a reduced rate of U.S. federal withholding tax under an income tax treaty may obtain a refund or credit of any excess amounts withheld by filing a timely claim for a refund with the IRS. A Non-U.S. Holder should consult its own independent tax advisor regarding its possible entitlement to benefits under an income tax treaty.

The U.S. federal withholding tax does not apply to dividends that are U.S. trade or business income, as described above, of a Non-U.S. Holder who provides a properly executed IRS Form W-8ECI (or appropriate substitute or successor form), certifying that the dividends are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States.

Dispositions of Our Common Stock

A Non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax in respect of any gain realized on a sale, exchange or other disposition of our common stock unless:

- (1) the gain is U.S. trade or business income, as described above;
- (2) the Non-U.S. Holder is an individual who is present in the United States for 183 or more days in the taxable year of the disposition and meets certain other conditions; or
- (3) we are or have been a United States real property holding corporation (a USRPHC), under section 897 of the Code, at any time during the shorter of the five-year period ending on the date of such disposition or the Non-U.S. Holder's holding period for our common stock.

In general, a corporation is a USRPHC if the fair market value of its United States real property interests equals or exceeds 50% of the sum of the fair market values of its worldwide (domestic and foreign) real property interests and its other assets used or held for use in a trade or business. For this purpose, real property interests include land, improvements, and personal property associated with the use of real property. We believe we are not currently, and are not likely to become, a USRPHC. If we are determined to be a USRPHC, a Non-U.S. Holder nevertheless will not be subject to U.S. federal income or withholding tax in respect of any gain on a sale or other disposition of our common stock so long as (i) our common stock is regularly traded on an established securities market as defined

under applicable Treasury regulations and (ii) a Non-U.S. Holder owns, actually and constructively, 5% or less of our common stock during the shorter of the five-year period ending on the date of disposition and such Non-U.S. Holder's holding period for our common stock.

S-11

Table of Contents

U.S. Federal Estate Taxes

Shares of our common stock owned or treated as owned by an individual who is not a citizen or resident of the United States at the time of death will be included in the individual's gross estate for U.S. federal estate tax purposes, and may be subject to U.S. federal estate tax, unless an applicable estate tax treaty provides otherwise.

Information Reporting and Backup Withholding Requirements

We must annually report to the IRS and to each Non-U.S. Holder any dividend income that is subject to U.S. federal withholding tax, or that is exempt from such withholding tax pursuant to an income tax treaty. Copies of these information returns also may be made available under the provisions of a specific treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides. Under certain circumstances, the Code imposes a backup withholding obligation (currently at a rate of 28%) on certain reportable payments. Dividends paid to a Non-U.S. Holder of our common stock generally will be exempt from backup withholding if the Non-U.S. Holder provides a properly executed IRS Form W-8BEN (or appropriate substitute or successor form) or otherwise establishes an exemption.

The payment of the proceeds from the disposition of common stock to or through the U.S. office of any broker, U.S. or foreign, will be subject to information reporting and possible backup withholding unless the owner certifies as to its non-U.S. status under penalties of perjury or otherwise establishes an exemption, provided that the broker does not have actual knowledge or reason to know that the holder is a U.S. person or that the conditions of any other exemption are not, in fact, satisfied. The payment of the proceeds from the disposition of common stock to or through a non-U.S. office of a non-U.S. broker will not be subject to information reporting or backup withholding unless the non-U.S. broker has certain types of relationships with the United States (a U.S. related person). In the case of the payment of the proceeds from the disposition of our common stock to or through a non-U.S. office of a broker that is either a U.S. person or a U.S. related person, the Treasury regulations require information reporting (but not backup withholding) on the payment unless the broker has documentary evidence in its files that the owner is a Non-U.S. Holder and the broker has no knowledge to the contrary. Non-U.S. Holders should consult their own independent tax advisors on the application of information reporting and backup withholding to them in their particular circumstances (including upon their disposition of our common stock).

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a Non-U.S. Holder will be refunded or credited against the Non-U.S. Holder's U.S. federal income tax liability, if any, if the Non-U.S. Holder provides the required information to the IRS on a timely basis.

Table of Contents

UNDERWRITING

Citigroup Global Markets Inc. is acting as the sole bookrunner and joint lead manager for this offering and as the representative of the underwriters named below. Subject to the terms and conditions set forth in the underwriting agreement among us, NAI and the underwriters, NAI has agreed to cause the selling stockholder to sell to the underwriters, and each of the underwriters has severally agreed to purchase from the selling stockholder, the number of shares of Class B Common Stock set forth opposite its name below.

Underwriters

Number of Shares

Citigroup Global Markets Inc.
J.P. Morgan Securities Inc.

Total

Subject to the terms and conditions set forth in the underwriting agreement, the underwriters have agreed to purchase all of the shares sold under the underwriting agreement if any of these shares are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the nondefaulting underwriters may be increased.