

CBS CORP
Form 424B3
February 24, 2012
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This information in this prospectus supplement is not complete and may change. This prospectus supplement and the accompanying prospectus are not an offer to sell these securities and they are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION

PRELIMINARY PROSPECTUS SUPPLEMENT, DATED FEBRUARY 24, 2012

PROSPECTUS SUPPLEMENT

(To Prospectus dated November 3, 2011)

\$

% Senior Notes due 2022

**Unconditionally guaranteed as to payment of
principal and interest by CBS Operations Inc.**

(a wholly owned subsidiary of CBS Corporation)

CBS Corporation is offering \$ of our senior notes due 2022. The senior notes will bear interest at % per year and will mature on , 2022. We will pay interest on the senior notes semi-annually in arrears on and of each year, beginning , 2012. We may redeem the senior notes, in whole or in part, at any time and from time to time at a redemption price equal to the principal amount of the senior notes being redeemed plus the applicable premium, if any, and accrued and unpaid interest to the redemption date. In addition, commencing on , 2021, we may redeem the senior notes in whole or in part, at 100% of the principal amount of the senior notes being redeemed plus accrued and unpaid interest to the redemption date. If a change of control repurchase event occurs as described in this prospectus supplement, unless we have exercised our right of redemption, we will be required to offer to repurchase all or any part of the senior notes at a repurchase price equal to 101% of the principal amount of the senior notes, plus accrued and unpaid interest, if any, to the date of repurchase. The senior notes do not provide for a sinking fund. The senior notes will be issued in minimum denominations of \$2,000 and in integral multiples of \$1,000.

The senior notes will be unsecured senior obligations of CBS Corporation and will rank equally in right of payment with all of CBS Corporation's other unsecured and unsubordinated obligations from time to time outstanding. The guarantees will be unsecured senior obligations of CBS Operations Inc. and will rank equally in right of payment with all of CBS Operations Inc.'s other unsecured and

unsubordinated obligations from time to time outstanding.

Investing in the senior notes involves risks which are described in the Risk Factors section beginning on page I-23 of our Annual Report on Form 10-K for the year ended December 31, 2011, which is incorporated by reference herein.

	Price to Public(1)	Underwriting Discount	Proceeds to CBS Corporation (before expenses)
Per senior note	%	%	%
Total	\$	\$	\$

(1) Plus accrued interest, if any, from _____, 2012 if settlement occurs after that date.

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

We expect that the senior notes will be ready for delivery only in book-entry form through the facilities of The Depository Trust Company for the accounts of its participants, including Clearstream Luxembourg or Euroclear, against payment in New York, New York on or about _____, 2012.

Joint Book-Running Managers

**BofA Merrill Lynch
Credit Suisse**

Deutsche Bank Securities

RBS

**UBS Investment Bank
Wells Fargo Securities**

Prospectus Supplement dated _____, 2012

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In this prospectus supplement, we use the terms the Company, we, us and our to refer to CBS Corporation. References to CBS Operations and references to CBS Operations Inc.

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, CBS Operations, 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, CBS Operations, or any of the underwriters is making an offer to sell the senior notes in any jurisdiction where the offer or sale is not permitted.

It is expected that the delivery of the senior notes will be made against payment therefor on or about the date specified on the cover of this prospectus supplement, which is the _____ business day following the date of pricing of the senior notes (such settlement cycle being referred to as "T+_____"). You should note that

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trading of the senior notes on the date of this prospectus supplement or the next succeeding business day may be affected by the T+ settlement. See Underwriting.

We provide information to you about the senior notes 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.

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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 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;

the impact of union activity, including possible strikes or work stoppages or our inability to negotiate favorable terms for contract renewals; 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, 2011, 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.

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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 holders of senior notes 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.

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SUMMARY

CBS Corporation

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

ENTERTAINMENT: The Entertainment segment is composed of the *CBS*[®] Television Network; CBS Television Studios; CBS Studios International; CBS Television Distribution; CBS Films[®]; and CBS Interactive.

CABLE NETWORKS: The Cable Networks segment is composed of *Showtime*[®] Networks, the Company's premium subscription program services; *CBS Sports Network*, the Company's cable network devoted to college athletics; and Smithsonian Networks, a venture between Showtime Networks and Smithsonian Institution, which operates *Smithsonian Channel*, a basic cable program service.

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

LOCAL BROADCASTING: The Local Broadcasting segment is composed of CBS Television Stations, the Company's 29 owned broadcast television stations; and *CBS Radio*[®], through which the Company owns and operates 130 radio stations in 28 United States (U.S.) markets.

OUTDOOR: The Outdoor segment displays advertising on media, including billboards, transit shelters, buses, rail systems (in-car, station platforms and terminals), mall kiosks, retail stores and stadium signage principally through *CBS Outdoor*[®]. For the year ended December 31, 2011, contributions to CBS Corporation's consolidated revenues from its segments were as follows: Entertainment 52%, Cable Networks 11%, Publishing 6%, Local Broadcasting 19% and Outdoor 13%.* We generated approximately 15% of our total revenues from international regions in 2011. For the year ended December 31, 2011, approximately 59% and 17% of total international revenues of approximately \$2.19 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 W. 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.**

CBS Operations Inc.

CBS Operations, the guarantor of the senior notes, was organized under the laws of the State of Delaware in 1995 and has its corporate headquarters at 51 West 52nd Street, New York, New York 10019. CBS Operations has 100 shares of common stock, par value \$.01 per share, outstanding, all of which are held by CBS Corporation. CBS Operations operates a full power broadcast television station in Tampa, Florida and a low power broadcast television station in Indianapolis, Indiana. The direct and indirect subsidiaries of CBS Operations operate *Showtime Networks*, *Simon & Schuster*, *CBS Television Studios* and ten full power broadcast television stations. In addition, one of such subsidiaries holds the partnership interest in *The CW* broadcast network.

* Total of segment contributions exceeds 100% due to intercompany eliminations and rounding.

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The Offering

The following is a brief summary of some of the terms of this offering. For a more complete description of the terms of the senior notes, see Description of the Senior Notes beginning on page S-8 of this prospectus supplement.

Issuer	CBS Corporation
Securities offered	\$ aggregate principal amount of % senior notes due 2022.
Maturity	The senior notes will mature on , 2022.
Interest	Interest on the senior notes will accrue at the rate of % per year, payable semi-annually in arrears on each and , beginning , 2012.
Guarantee	The senior notes will be guaranteed on an unsecured senior basis by CBS Operations.
Ranking	The senior notes will be unsecured senior obligations of CBS Corporation and will rank equally in right of payment with all of CBS Corporation's other unsecured and unsubordinated obligations from time to time outstanding. As of December 31, 2011, CBS Corporation had approximately \$5.85 billion of long-term indebtedness outstanding, all of which ranks equally in rank of payment with the senior notes. As of December 31, 2011, our direct and indirect subsidiaries, other than CBS Operations, had approximately \$130 million of indebtedness outstanding. CBS Operations is a wholly owned subsidiary of CBS Corporation with no long-term indebtedness outstanding as of December 31, 2011, other than its guarantees of the senior debt of CBS Corporation, all of which is fully and unconditionally guaranteed by CBS Operations. CBS Operations' direct and indirect subsidiaries had approximately \$62 million of long-term indebtedness outstanding as of December 31, 2011.
Sinking fund	None.
Optional redemption	We may redeem the senior notes, in whole or in part, at any time and from time to time at a redemption price equal to their principal amount plus the applicable premium, if any, and accrued and unpaid interest to the redemption date. Commencing on , 2021 (three months prior to their maturity date), we may redeem the senior notes, in whole or in part, at any time and from time to time at a redemption price equal to 100% of the principal amount of the senior notes being redeemed plus accrued and unpaid interest to the redemption date. See Description of the Senior Notes Optional Redemption.

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Purchase of senior notes upon a change of control repurchase event Upon the occurrence of both a change of control of CBS Corporation and a downgrade of the senior notes below an investment grade rating by all of Moody's Investors Service Inc., Standard & Poor's Ratings Services and Fitch Ratings Ltd. within a specified period, we will make an offer to repurchase all or any part of each holder's senior notes at a price equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest, if any, to the date of repurchase. See Description of the Senior Notes Purchase of Senior Notes upon a Change of Control Repurchase Event.

Certain covenants We will issue the senior notes under an indenture that will, among other things, limit our ability to:

consolidate, merge or sell all or substantially all of our assets;

create liens; and

enter into sale and leaseback transactions.

All of these limitations will be subject to a number of important qualifications and exceptions. See Description of the Debt Securities in the accompanying prospectus.

Form and settlement The senior notes will be issued in the form of one or more fully registered global notes which will be deposited with, or on behalf of, The Depository Trust Company (DTC) as the depository, and registered in the name of Cede & Co., DTC's nominee. Beneficial interests in the global notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors may elect to hold interests in the global notes through either DTC (in the U.S.), Clearstream Luxembourg, or Euroclear (outside of the U.S.), if they are participants in these systems, or indirectly through organizations which are participants in these systems. Cross-market transfers between persons holding directly or indirectly through DTC participants, on the one hand, and directly or indirectly through Clearstream Luxembourg or Euroclear participants, on the other hand, will be effected in accordance with DTC rules on behalf of the relevant international clearing system by its U.S. depository.

Markets The senior notes are offered for sale in those jurisdictions in the U.S. and Europe where it is legal to make such offers. See Underwriting.

Use of proceeds We intend to use the net proceeds from this offering, after deducting fees and expenses related to this offering, to repurchase or repay outstanding indebtedness, including the redemption of some or all of our outstanding 6.75% senior notes due 2056 (the 2056 Notes), and the remaining net proceeds, if any, will be used for general corporate purposes. See Use of Proceeds.

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Governing law

The senior notes and the indenture under which they will be issued will be governed by New York law.

Risk factors

See the risks that are described in the **Risk Factors** section of our Annual Report on Form 10-K for the year ended December 31, 2011 for a discussion of the factors you should consider carefully before deciding to invest in the senior notes.

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RATIO OF EARNINGS TO FIXED CHARGES

The following table shows the ratio of earnings to fixed charges of CBS Corporation for the periods indicated.

For purposes of computing the following ratio of earnings to fixed charges, earnings represents earnings (loss) from continuing operations before income taxes, equity in loss of investee companies and fixed charges, adjusted for inclusion of distributions from investee companies. Fixed charges represent interest expense, net of capitalized interest, and such portion of rental expense that represents an appropriate interest factor.

	Year Ended December 31,				
	2011	2010	2009	2008	2007
Ratio of earnings to fixed charges	4.3x	2.7x	1.6x	Note a	3.8x

Note a: Earnings were inadequate to cover fixed charges by \$ 12.57 billion due to the non-cash impairment charge of \$14.18 billion in 2008.

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USE OF PROCEEDS

Our net proceeds from this offering are estimated to be approximately \$, after deducting the underwriting discount and our estimated offering expenses. We intend to use the net proceeds from this offering, after deducting fees and expenses related to this offering, to repurchase or repay outstanding indebtedness, including the redemption of some or all of the 2056 Notes, and the remaining net proceeds, if any, will be used for general corporate purposes.

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The following table sets forth the cash and cash equivalents and capitalization of CBS Corporation together with its consolidated subsidiaries as of December 31, 2011, (1) on a historical basis and (2) as adjusted to reflect the issuance and sale of the senior notes in this offering, after deducting the underwriting discounts, but before deducting our estimated offering expenses, and without reflecting the application of the net proceeds therefrom as described in Use of Proceeds on page S-6 of this prospectus supplement.

	As of December 31, 2011	
	Actual	As Adjusted
	(In millions)	
Cash and cash equivalents	\$ 660	\$ (1)
Debt:		
Continuing operations:		
Senior debt (4.30% 8.875%, due 2012 2056)	\$ 5,904	\$ 5,904(2)
Obligations under capital leases % senior notes due 2022	78	78
Total Debt(3)	5,982	
Stockholders Equity:		
Class A Common Stock, par value \$.001 per share; 375 shares authorized; 44 shares issued		
Class B Common Stock, par value \$.001 per share; 5,000 shares authorized; 769 shares issued	1	1
Additional paid-in-capital	43,395	43,395
Accumulated deficit	(28,343)	(28,343)(4)
Accumulated other comprehensive loss	(439)	(439)
Less: Treasury stock, at cost	4,706	4,706
Total Stockholders Equity	9,908	9,908
Total Capitalization	\$ 15,890	\$

- (1) As adjusted cash and cash equivalents reflects actual cash and cash equivalents as of December 31, 2011, plus cash received out of the net proceeds from this offering, after deducting the underwriting discounts, but before deducting estimated offering expenses. As adjusted cash and cash equivalents does not reflect the full redemption price of some or all of the 2056 Notes that we expect to redeem with the proceeds from this offering.
- (2) As adjusted senior debt does not include long-term debt from discontinued operations of \$21 million as of December 31, 2011. As adjusted senior debt does not reflect the redemption of some or all of the 2056 Notes.
- (3) As of December 31, 2011, the senior debt balances included (i) a net unamortized premium of \$4 million and (ii) an increase in the carrying value of the debt relating to previously settled fair value hedges of \$75 million. The face value of our total debt was \$5.92 billion as of December 31, 2011.
- (4) As adjusted accumulated deficit does not reflect a gain, which we expect to recognize after giving effect to the redemption of some or all of the 2056 Notes.

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DESCRIPTION OF THE SENIOR NOTES

The following statements about the senior notes are summaries and are subject to, and qualified in their entirety by reference to, the accompanying prospectus and the senior indenture referred to in the accompanying prospectus. See "Description of the Debt Securities" in the accompanying prospectus for additional information concerning the senior notes and the senior indenture. The following statements, therefore, do not contain all of the information that may be important to you. Not all the defined terms used in this prospectus supplement are defined herein, and you should refer to the accompanying prospectus or the senior indenture for the definitions of such terms. The provisions of the senior indenture and the form of note set forth the terms of the senior notes in greater detail than this prospectus supplement or the accompanying prospectus. If the statements in this prospectus supplement conflict with the provisions of the senior indenture and the form of note, the provisions of the senior indenture and such form of note control. A copy of the senior indenture was filed with the SEC on November 3, 2008, a copy of the first supplemental indenture to the senior indenture was filed with the SEC on April 5, 2010, and a copy of the form of note will be filed with the SEC in connection with the closing of this offering.

General

The senior notes:

are registered under the Securities Act;

will be unsecured obligations of CBS Corporation;

will rank equally with all other unsecured and unsubordinated indebtedness of CBS Corporation from time to time outstanding;

will be fully and unconditionally guaranteed by CBS Operations, which guarantee will rank equally with all other unsecured and unsubordinated indebtedness of CBS Operations from time to time outstanding;

will initially be limited to \$ _____ aggregate principal amount of senior notes, which aggregate principal amount may, without the consent of holders, be increased in the future on the same terms as to status, CUSIP number or otherwise as the senior notes being offered hereby (See "Further Issues" below); and

will be issued in minimum denominations of \$2,000 and in integral multiples of \$1,000 in excess thereof.

Each senior note will bear interest at a rate of _____ % per year. Interest will be payable semi-annually in arrears on the senior notes on _____ and _____ of each year, beginning on _____, 2012 and will be computed on the basis of a 360-day year of twelve 30-day months. Interest on the senior notes will accrue from and including the settlement date and will be paid to holders of record on the _____ and _____ immediately before the respective interest payment date.

The senior notes will mature on _____, 2022. On the maturity date of the senior notes, the holders will be entitled to receive 100% of the principal amount of the senior notes. The senior notes do not provide for a sinking fund.

If any maturity date, redemption date or interest payment date falls on a Saturday, Sunday, legal holiday or day on which banking institutions in The City of New York are authorized by law to close, then payment of principal and interest, if any, may be made on the next succeeding business day and no interest will accrue because of such delayed payment.

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As of December 31, 2011, CBS Corporation had approximately \$5.85 billion of long-term indebtedness outstanding, all of which ranks equally in rank of payment with the senior notes. As of December 31, 2011, our direct and indirect subsidiaries, other than CBS Operations, had approximately \$130 million of indebtedness outstanding. CBS Operations is a wholly owned subsidiary of CBS Corporation with no long-term indebtedness outstanding as of December 31, 2011, other than its guarantees of the senior debt of CBS Corporation, all of which is fully and unconditionally guaranteed by CBS Operations. CBS Operations' direct and indirect subsidiaries had approximately \$62 million of long-term indebtedness outstanding as of December 31, 2011.

The senior notes are subject in all cases to any tax, fiscal or other law or regulations or administrative or judicial interpretation applicable thereto. We are not required to make any payment to a holder with respect to any tax, assessment or other governmental charge imposed (by withholding or otherwise) by any government or a political subdivision or taxing authority thereof or therein due and owing with respect to the senior notes.

Further Issues

We may from time to time, without notice to or the consent of the holders of the senior notes, create and issue further senior notes ranking equally and ratably in all respects with the senior notes, or in all respects except for the payment of interest accruing prior to the issue date or except, in some circumstances, for the first payment of interest following the issue date of those further senior notes. Any such further senior notes will be consolidated with and form a single series with the senior notes currently being offered and will have the same terms as to status, CUSIP number or otherwise as the senior notes. Any such further senior notes will be issued pursuant to a resolution of our board of directors (or a committee designated by the board), a supplement to the senior indenture or under an officer's certificate pursuant to the senior indenture.

Optional Redemption

Commencing on _____, 2021 (three months prior to their maturity date), we may redeem the senior notes in whole or in part, at 100% of the principal amount of the senior notes being redeemed plus accrued and unpaid interest to the redemption date.

Prior to _____, 2021 (three months prior to their maturity date) the senior notes will be redeemable, in whole or in part at any time, and from time to time, at our option, at a make-whole premium redemption price calculated by us equal to the greater of:

- (a) 100% of the principal amount of the senior notes of the series to be redeemed; and
- (b) the sum of the present values of the remaining scheduled payments of principal and interest thereon (not including any portion of such payments of interest accrued as of the redemption date), discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined below), plus _____ basis points, plus accrued interest thereon to the redemption date. Notwithstanding the foregoing, installments of interest on senior notes that are due and payable on interest payment dates falling on or prior to a redemption date for such senior notes will be payable on the interest payment date to the registered holders as of the close of business on the relevant record date according to such senior notes and the indenture.

For purposes of the optional redemption provisions of the senior notes, the following terms have the meanings indicated below:

Comparable Treasury Issue means the United States Treasury security or securities selected by an Independent Investment Banker as having an actual or interpolated maturity comparable to the remaining term of the senior notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of such senior notes.

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Comparable Treasury Price means, with respect to any redemption date, (i) the average of four Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (ii) if the Independent Investment Banker obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations, or (iii) if only one Reference Treasury Dealer Quotation is received, such quotation.

Independent Investment Banker means a Reference Treasury Dealer appointed by us.

Reference Treasury Dealer means a primary U.S. Government securities dealer in the U.S. selected by the Company.

Reference Treasury Dealer Quotation means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the applicable Comparable Treasury Issue (expressed as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at 3:30 p.m., New York City time, on the third business day preceding such redemption date.

Treasury Rate means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to maturity or interpolated (on a day count basis) of the applicable Comparable Treasury Issue, assuming a price for such Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the applicable Comparable Treasury Price for such redemption date.

Notice of any redemption will be distributed at least 15 days but not more than 45 days before the redemption date to each holder of the senior notes to be redeemed. Unless we default in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the senior notes called for redemption. If less than all of the senior notes are to be redeemed, the senior notes to be redeemed shall be selected by the trustee by a method the trustee deems to be fair and appropriate. No senior notes of a principal amount of \$2,000 or less will be redeemed in part. In addition, at any time we may repurchase senior notes in the open market and may hold or surrender such senior notes to the trustee for cancellation.

Purchase of Senior Notes upon a Change of Control Repurchase Event

Upon the occurrence of a Change of Control Repurchase Event (as defined below) in respect of the senior notes, unless we have exercised our right to redeem the senior notes as described under **Optional Redemption** above, we will make an offer to each holder of the senior notes to repurchase all or any part (equal to \$2,000 or an integral multiple of \$1,000 in excess thereof) of such holder's senior notes pursuant to the offer described below (the **Change of Control Offer**) at a purchase price equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest, if any, to the date of purchase (the **Change of Control Price**). Within 30 days following any Change of Control Repurchase Event in respect of the senior notes or, at our option, prior to any Change of Control (as defined below), but after the public announcement of the Change of Control, we will mail a notice to each holder describing the transaction or transactions that constitute or may constitute the Change of Control Repurchase Event and offering to repurchase the senior notes on the payment date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed. The notice shall, if mailed prior to the date of consummation of the Change of Control, state that the offer to repurchase is conditioned on the Change of Control Repurchase Event occurring on or prior to the payment date specified in the notice.

We will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations to the extent those laws and regulations are applicable in connection with the repurchase of the senior notes as a result of a Change of Control Repurchase Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Repurchase Event provisions of the senior

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notes, we will comply with the applicable securities laws and regulations and will not be deemed to have breached our obligations under the Change of Control Repurchase Event provisions of the senior notes by virtue of such conflict.

On the Change of Control Repurchase Event payment date, we will, to the extent lawful:

- (1) accept for payment all senior notes or portions thereof properly tendered pursuant to our offer;
- (2) deposit with the paying agent an amount equal to the aggregate purchase price in respect of all senior notes or portions thereof properly tendered; and
- (3) deliver or cause to be delivered to the trustee the senior notes properly accepted, together with an officers certificate stating the aggregate principal amount of senior notes being purchased by us.

The paying agent will promptly pay, from funds deposited by us for such purpose, to each holder of senior notes properly tendered the purchase price for the senior notes, and the trustee will promptly authenticate and mail (or cause to be transferred by book-entry) to each holder a new note equal in principal amount to any unpurchased portion of any senior notes surrendered.

We will not be required to make an offer to repurchase the senior notes upon a Change of Control Repurchase Event if a third party makes an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by us and such third party purchases all senior notes properly tendered and not withdrawn under its offer.

Change of Control means the occurrence of any of the following:

- (1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of our properties or assets and those of our subsidiaries, taken as a whole, to any person (individually and as that term is used in Section 13(d)(3) and Section 14(d)(2) of the Exchange Act), other than us or one of our Affiliates;
- (2) the first day on which a majority of the members of our board of directors are not Continuing Directors;
- (3) the consummation of any transaction or series of related transactions (including, without limitation, any merger or consolidation) the result of which is that any person (individually and as that term is used in Section 13(d)(3) and Section 14(d)(2) of the Exchange Act), other than us, one of our subsidiaries or Redstone Family Members, becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of our Voting Stock, and following such transaction or transactions, Redstone Family Members beneficially own less than 50% of our Voting Stock, in each case, measured by voting power rather than number of shares; or
- (4) the consummation of a so-called going private/Rule 13e-3 Transaction that results in any of the effects described in paragraph (a)(3)(ii) of Rule 13e-3 under the Exchange Act (or any successor provision) with respect to each class of our common stock, following which Redstone Family Members beneficially own, directly or indirectly, more than 50% of our Voting Stock, measured by voting power rather than number of shares.

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Below Investment Grade Rating Event, with respect to the senior notes, means that such senior notes become rated below Investment Grade by all of the Rating Agencies on any date from the date of the public notice of an arrangement that results in a Change of Control until the end of the 60-day period following public notice of the occurrence of a Change of Control (which period shall be extended so long as the rating of such senior notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies); provided that a Below Investment Grade Rating Event otherwise arising by virtue of a particular reduction in rating shall not be deemed to have occurred in respect of a particular Change of Control (and thus shall not be deemed a Below Investment Grade Rating Event for purposes of the definition of Change of Control Repurchase Event hereunder) if the Rating Agencies making the reduction in rating to which this definition would otherwise apply do not announce or publicly confirm or inform the trustee in writing at its request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control shall have occurred at the time of the Below Investment Grade Rating Event).

Change of Control Repurchase Event in respect of the senior notes means the occurrence of both a Change of Control and a Below Investment Grade Rating Event in respect of the senior notes.

Continuing Directors means, as of any date of determination, any member of our board of directors who:

- (1) was a member of such board of directors on the first date that any of the senior notes were issued; or
- (2) was nominated for election or elected to our board of directors (i) with the approval of Redstone Family Members representing not less than 50% of our Voting Stock, measured by voting power rather than number of shares, or (ii) with the approval of a majority of the Continuing Directors who were members of our board at the time of such nomination or election.

Investment Grade means a rating of Baa3 or better by Moody's (or its equivalent under any successor rating categories of Moody's), BBB or better by S&P (or its equivalent under any successor rating categories of S&P) or BBB or better by Fitch (or its equivalent under any successor rating categories of Fitch) (or, in each case, if such Rating Agency ceases to rate the senior notes, for reasons outside of our control, the equivalent investment grade credit rating from any Rating Agency selected by us as a replacement Rating Agency).

Redstone Family Members includes only the following persons: (i) Mr. Sumner Redstone (ii) the estate of Mr. Redstone; (iii) each descendant of Mr. Redstone or spouse or former spouse of Mr. Redstone and their respective estates, guardians, conservators or committees; (iv) any spouse or former spouse of Mr. Redstone; (v) each Family Controlled Entity (as defined below); and (vi) the trustees, in their respective capacities as such, of each Family Controlled Trust (as defined below). The term Family Controlled Entity means (i) any not-for-profit corporation if more than 50% of its board of directors is composed of Redstone Family Members; (ii) any other corporation if more than 50% of the value of its outstanding equity is owned by Redstone Family Members; (iii) any partnership if more than 50% of the value of its partnership interests are owned by Redstone Family Members; and (iv) any limited liability or similar company if more than 50% of the value of the company is owned by Redstone Family Members. The term Family Controlled Trust includes certain trusts existing on [redacted], 2012 and any other trusts the primary beneficiaries of which are Redstone Family Members, spouses of Redstone Family Members and/or charitable organizations, provided that if the trust is a wholly charitable trust, more than 50% of the trustees of such trust consist of Redstone Family Members.