

ADVERTISING SALES REPOSITIONING ... CBS AT TCA ... MORE

CBS REPOSITIONS ADVERTISING SALES FORCE FOR MULTIPLATFORM FUTURE



Lawenda Ross Morris

On August 3, CBS announced a repositioning of its advertising sales organization for the multiplatform future.

Jo Ann Ross, who has led CBS Television Network sales efforts since 2002, has been promoted to President and Chief Advertising Revenue Officer, CBS Corporation, and David Lawenda, who served as Head

“We have a tremendous opportunity to grow CBS’ advertising revenue by working with clients to realize value from every impression across all platforms. This new structure, headed by the incomparable Jo Ann Ross, is the most advantageous way to achieve that goal. I am also pleased to have David Lawenda join the best ad sales team in the business to help accelerate our multiplatform sales effort with his remarkable linear and digital experience. This is the right team and the right structure to position CBS for maximum growth as viewer habits continue to change.”

-- Leslie Moonves, Chairman and CEO, CBS Corporation

of U.S., Global Marketing Solutions at Facebook until March 2017, has been named Executive Vice President, Digital Sales and Sales Strategy, with oversight of CBS’ digital advertising

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CBS, SHOWTIME AND THE CW AT TCA SUMMER PRESS TOUR



A general view of the CBS Summer Press Tour Soirée, held on August 1, in Los Angeles, Calif.

In early August CBS, SHOWTIME and THE CW hosted their annual summer Television Critics Association Press Tour in Beverly Hills, Calif. The tour was attended by more than 200 representatives of the nation’s television, radio and online media.



CBS: In his executive session, CBS Entertainment President Kelly Kahl said: “Putting on shows with huge audiences of all ages is how CBS succeeds now and in the

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sales business and multiplatform sales strategy. In his new role, Lawenda will oversee the existing sales and marketing efforts of CBS Interactive headed by **Ken Lagana**, Senior Vice President, Global Advertising Sales and Marketing, CBS Digital Media; **Katie Kulik**, Senior Vice President, Global Advertising Sales and Marketing, CNET Media Group; **Jason White**, Senior Vice President and General Manager, Revenue Operations; and **Dennis Colon**, Vice President, Sales Operations and Strategy.

It was also announced that **Dave Morris**, previously Chief Revenue Officer, CBS Interactive since 2008, has been named to an expanded role with the Company as Executive Vice President, Advanced Advertising and Client Partnerships, leading CBS' efforts in the evolving video space as it relates to ad innovation and audience planning. In addition to her new responsibilities, Ross will continue to run the Network sales team in its many operations led by **John Bogusz**, Executive Vice President, Sports Sales and Marketing; **Dean Kaplan**, Executive Vice President, Sales Strategy, Planning and Administration; **Linda Rene**, Executive Vice President, Primetime Sales and Innovation; and **Chris Simon**, Executive Vice President, Network Sales.

For more information, go to <http://bit.ly/2waqynk>.

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future -- successful, broad appeal network shows that generate revenue on traditional and digital platforms, both here and around the world. Those platforms all want our shows because of the mass audience we deliver better and more consistently than anyone."

Added **Thom Sherman**, Senior Executive Vice President, Programming, CBS Entertainment: "CBS has been so successful with broad appeal shows, and we are going to continue down that path. We have a huge loyal audience that loves those shows, and we want to



CBS Entertainment President Kelly Kahl (L), and Morgan Freeman (Executive Producer MADAM SECRETARY) at the CBS TCA party

CBS REACHES AGREEMENT WITH AT&T TO JOIN "DIRECTV NOW" LIVE TV SERVICE



On August 7, **CBS Corporation** and **AT&T** announced a new agreement to carry the **CBS Television Network**, as well as **SHOW-TIME®**, **The CW**, **Pop** and **CBS Sports Network**, on AT&T's **DIRECTV NOW** live TV streaming service. All networks in the deal will be available to stream live, with much of their programming available on demand as well. **DIRECTV NOW** will feature live streaming of CBS-owned local television stations in many of the largest U.S. markets at launch. All affiliates of **CBS** and **The CW** will have the opportunity to participate going forward as well.

For more information, go to <http://bit.ly/2ve412A>

"We are pleased we have reached a deal to make the CBS Television Network, The CW and our cable networks available on DIRECTV NOW. For any bundle to be truly successful, CBS is must-have content, and we are happy that AT&T will bring our hit programming to their DIRECTV NOW offering. This agreement fits perfectly into our strategy to deliver industry-leading content to viewers across multiple platforms and screens."

-- Ray Hopkins, President, Television Networks Distribution, CBS Corporation

continue to serve them, and we will continue to serve

them. But **Leslie and Kelly** and I have spoken about expanding the palette of what we do, and we're going to do that." To that end, **Sherman** noted that **CBS** development teams have told the talent agencies: "Please tell your clients, 'Don't censor yourselves.' Don't assume you know what a **CBS** show is. Bring us your passion

projects. Bring us everything. Bring us all different genres, and let us decide if it fits our mandate going forward."

At the tour, **Marc DeBevoise**, President and Chief Operating Officer, **CBS Interactive**, announced three new additions to **CBS All Access'** programming slate: the drama series **STRANGE ANGEL**, the comedy series **NO ACTIVITY** and the thriller **\$1**. The series join **CBS**

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(L-R) Shemar Moore (S.W.A.T.), Marcia Gay Harden (CODE BLACK) and Thom Sherman, CBS Senior Executive Vice President of Programming at Summer Press Tour

CBS CORPORATION REPORTS SECOND QUARTER 2017 RESULTS

Revenues of \$3.3 Billion, Up 9%

Operating Income of \$669 Million, Up 3%

Diluted EPS from Continuing Operations of \$.97, Up 18%

Adjusted Diluted EPS of \$1.04, Up 12%



On August 7, CBS Corporation reported record second quarter revenues, operating income, and diluted earnings per share (“EPS”) from continuing operations.

“CBS delivered outstanding second quarter results while continuing to take a number of steps to achieve our longterm financial goals,” said **Leslie Moonves**, Chairman and Chief Executive Officer, CBS Corporation. “First, we had a terrific upfront with gains in pricing and volume, including more and more deals that better reflect how people are watching our programming on a delayed basis. In addition, we took significant steps during the quarter to grow our affiliate fees from both traditional and ‘skinny’ bundles. Retransmission consent and reverse compensation increased 25% in the second quarter. And we are now seeing the benefit of our recent skinny bundle deals with **Google’s YouTube TV, Hulu, and fuboTV**, and just today we announced that we will be part of **DIRECTV NOW** as well. At the same time, our in-house over-the-top subscription services, *CBS All Access* and **SHOWTIME OTT**, continue to grow beyond our expectations and are on track to surpass a combined four million subscribers by the end of 2017. We are now gearing up to take the next strategic step with *CBS All Access* by expanding it into the international marketplace, starting with Canada in the first half of 2018. SHOWTIME also had a terrific quarter, led by the successful return of **TWIN PEAKS**, which boosted OTT subscriptions dramatically, and we continue to expand the SHOWTIME brand overseas with new deals to license our entire portfolio in France, India, Taiwan, Hong Kong, and others. So, 2017 is turning out to be a great year for the CBS Corporation even without the Super Bowl and political spending that we had in the prior year. And as we look ahead, we are positioned to have an even better year in 2018.” For more information, go to <http://bit.ly/2hDJecf>

CBS 2Q In The Press.....

- “CBS CEO Les Moonves has positioned CBS for a new media world” -- CNBC Video
- “CBS reports better-than-expected profit and revenue” -- Reuters
- “CBS beats Street 2Q forecasts” -- AP
- “CBS Sales Surge on Basketball, Streaming Services” -- The Wall Street Journal

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At the CBS Summer Press Tour, (L-R): Mary Chieffo (STAR TREK: DISCOVERY); Marc DeBevoise; President and COO, CBS Interactive, Jason Isaacs (STAR TREK: DISCOVERY); David Stapf President, CBS Television Studios

All Access’ existing slate, which includes the critically acclaimed drama **THE GOOD FIGHT** and the highly anticipated new **STAR TREK: DISCOVERY**. Said DeBevoise: “*CBS All Access* is dedicated to delivering

inventive, premium original programming for our subscribers and creating opportunities for world class content creators to find new, creative ways to tell stories.” For more information, go to <http://bit.ly/2w3XtKn>

CBS’ Tour featured panel sessions with the stars and producers of the Network’s new shows, including **YOUNG SHELDON, ME, MYSELF & I** and **S.W.A.T.** at the Beverly Hilton Hotel, and **9JKL; WISDOM OF THE CROWD** and **SEAL TEAM** on their individual sets on the Radford lot. A **STAR TREK: DISCOVERY** panel was also held at Radford.

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CBS ALL ACCESS TO EXPAND GLOBALLY



On August 7, CBS announced that it is expanding the availability of **CBS All Access** internationally through a partnership of its **CBS Interactive** and **CBS Studios International** divisions. **CBS All Access**, the Company's digital subscription video on-demand and live streaming service, will launch initially in Canada in the first half of 2018, with other markets to follow. Said CBS Chairman and CEO **Leslie Moonves**: "CBS All Access is growing faster than we anticipated domestically, and now represents a whole new opportunity internationally as well. By going direct-to-consumer around the world, we will facilitate new connections between the global audience and our industry-leading premium content. I look forward to introducing **CBS All Access** to Canada in early 2018, followed by a number of other markets in multiple continents around the world."

CBS All Access launched in the U.S. in October 2014 and has grown its subscribers rapidly since that time. On March 15, 2016, the Company stated that by 2020 it would have eight million subscribers combined for **CBS All Access** and **SHOWTIME**'s direct-to-consumer products. Recently, CBS announced that it is ahead of that pace and will exceed more than four million subscribers combined by the end of 2017.

For more information, go to <http://bit.ly/2woINqK>

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The next edition of UPDATE will cover the **SHOWTIME** and **The CW** press tours.

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SHOWTIME PPV® MAYWEATHER VS. McGREGOR BOUT STANDS TO BE THE MOST WIDELY DISTRIBUTED PAY-PER-VIEW EVENT OF ALL TIME



On August 7 SHOWTIME announced that the unprecedented August 26 PPV boxing match between pound-for-pound king **Floyd "Money" Mayweather** and UFC champion "The Notorious" **Conor McGregor** is expected to be the most widely distributed pay-per-view event of all time.

The bout will be available for purchase through cable, DBS, telco and streaming providers nationwide, as well as UFC.tv. The fight will also be available through **Fathom Events** in movie theaters and at select bars and restaurants nationwide. Also, for the first time, SHOWTIME will make the boxing event available on **iPhone, iPad, iPod touch** and **Apple TV** (4th generation). The fight will be available for purchase on the SHOWTIME PPV website and through the SHOWTIME PPV app in the Apple App store.

Produced and distributed live by SHOWTIME PPV, Mayweather vs. McGregor will take place on Saturday, August 26 at 9:00 PM, ET / 6:00 PM, PT from the T-Mobile Arena in Las Vegas. In addition, consumers on the SHOWTIME PPV website and application will have access to a special free trial for the SHOWTIME standalone streaming service and **CBS All Access**. SHOWTIME will offer additional content on the app and website for free, including exciting fight content leading up to the main event.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This newsletter may include "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. Forward-looking statements inherently involve risks and uncertainties that could cause actual factual results to differ materially from the forward-looking statements, including those due to changes in economic, business, competitive, technological, strategic and/or regulatory factors, and other factors affecting the operations of the businesses of the CBS Corporation. CBS Corporation's news releases and filings with the Securities and Exchange Commission including but not limited to its most recent Form 10-K, Form 10-Q and 8-Ks, contain a description of factors that could affect future results. The forward-looking statements are made only as of the date of this document and we do not undertake to update any forward-looking statements to reflect subsequent events or circumstances. For more information about CBS Corporation, see the Company's news releases and filings with the Securities and Exchange Commission which can be found on the CBS Corporation website, www.cbscorporation.com, in the "News" and "Investor Relations" sections, respectively.