

CBS CORP  
Form 11-K  
June 22, 2012

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549-1004

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**FORM 11-K**

*(Mark One)*

**/ X /      Annual Report Pursuant to Section 15(d) of the Securities Exchange Act of 1934**

**For the fiscal year ended December 31, 2011    Commission file number 001-09553**

**OR**

**/ /      Transition Report Pursuant to Section 15(d) of the Securities Exchange Act of 1934**

**CBS 401(k) PLAN**

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(Full title of the plan)

**CBS CORPORATION**

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(Name of issuer of the securities held pursuant to the plan)

**51 West 52<sup>nd</sup> Street**

**New York, New York 10019**

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(Address of principal executive office)

**CBS 401(k) PLAN**

**FINANCIAL STATEMENTS, SUPPLEMENTAL SCHEDULES AND EXHIBITS**

**DECEMBER 31, 2011 AND 2010**

**INDEX**

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<u>Signature</u>	S 27
<u>Exhibit:</u>	
23.1 Consent of Independent Registered Public Accounting Firm	

**Report of Independent Registered Public Accounting Firm**

To the Participants and Administrator of the

CBS 401(k) Plan

In our opinion, the accompanying statements of net assets available for benefits and the related statement of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the CBS 401(k) Plan (the Plan ) at December 31, 2011 and December 31, 2010, and the changes in net assets available for benefits for the year ended December 31, 2011 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule of Delinquent Participant Contributions and the Schedule of Assets (Held at End of Year) are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ PRICEWATERHOUSECOOPERS LLP

New York, New York

June 22, 2012



**CBS 401(k) PLAN****STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS****(In thousands)**

	<b>At December 31,</b>	
	<b>2011</b>	<b>2010</b>
<b>Assets</b>		
Cash and cash equivalents	\$	\$ 14
Investments, at fair value	3,634,922	3,592,024
Receivables:		
Notes receivable from participants	28,836	26,991
Employee contributions	2,144	2,020
Employer contributions	3,335	2,563
Interest and dividends	5,683	6,139
Due from broker for securities sold		58
Total assets	3,674,920	3,629,809
<b>Liabilities</b>		
Accrued expenses and other liabilities	1,149	1,339
Due to broker for securities purchased	7	10
Net assets reflecting investments at fair value	3,673,764	3,628,460
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	(118,628)	(108,092)
<b>Net assets available for benefits</b>	<b>\$3,555,136</b>	<b>\$3,520,368</b>

The accompanying notes are an integral part of these financial statements.

**CBS 401(k) PLAN****STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS****(In thousands)**

	<b>Year Ended December 31, 2011</b>
<b>Additions to net assets attributed to:</b>	
Investment income:	
Net appreciation in fair value of investments	\$ 71,000
Interest	62,177
Dividends	8,447
Interest income on notes receivable from participants	1,350
Contributions:	
Employee	107,076
Employer	38,978
Rollover	8,323
Total additions	297,351
<b>Deductions from net assets attributed to:</b>	
Benefits paid to participants	(258,249)
Plan expenses	(4,334)
Total deductions	(262,583)
Net increase	34,768
Net assets available for benefits, beginning of year	3,520,368
<b>Net assets available for benefits, end of year</b>	<b>\$ 3,555,136</b>

The accompanying notes are an integral part of these financial statements.

**CBS 401(k) PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**(Tabular dollars in thousands)**

**NOTE 1 PLAN DESCRIPTION**

The following is a brief description of the CBS 401(k) Plan (the Plan ) and is provided for general information only. Participants should refer to the Plan document for more complete information regarding the Plan.

The Plan, sponsored by CBS Corporation (the Company or CBS Corp. ), is a defined contribution plan offered on a voluntary basis to eligible employees of the Company and its subsidiaries.

Eligible full-time newly hired employees may enroll in the Plan immediately or are automatically enrolled following the later of sixty days after hire or rehire and attainment of age 21, unless they elect not to participate. Part-time employees are automatically enrolled in the Plan on the first day of the month following the attainment of age 21 and completion of one thousand hours of service within a consecutive twelve-month period, unless they already voluntarily enrolled upon meeting the age and service requirements or have elected not to participate. The Plan is subject to the provisions of the Internal Revenue Code of 1986, as amended (the Code ), and the Employee Retirement Income Security Act of 1974, as amended ( ERISA ), and is overseen by a retirement committee designated as the Administrator of the Plan as defined under ERISA (the Plan Administrator ) by the Company's Board of Directors (the Board ).

The Bank of New York Mellon (the Trustee ) is the trustee and custodian and Mercer is the recordkeeper of the Plan. Certain Plan investments are shares of funds managed by the Trustee or companies affiliated with the Trustee and therefore qualify as a party-in-interest transaction. The fair value of these investments was \$234 million at December 31, 2011 and \$869 million at December 31, 2010 and these investments appreciated by \$8 million for the year ended December 31, 2011. In addition, certain Plan investments are shares of CBS Corp. common stock and therefore qualify as a party-in-interest transaction. The fair value of these investments was \$373 million at December 31, 2011 and \$254 million at December 31, 2010. For the year ended December 31, 2011, these investments appreciated by \$110 million and earned dividends of \$4 million. During the year ended December 31, 2011, the Plan purchased \$17 million of CBS Corp. common stock and sold \$7 million of CBS Corp. common stock.



*Participant Accounts*

Each Plan participant's account is credited with the participant's contributions, the employer matching contributions, the participant's share of the investment income (loss) and any realized or unrealized gains or losses of the Plan's assets, net of certain Plan expenses.

Participants have the option of investing their contributions or existing account balances among various investment options. These investment options include common collective funds, registered investment companies (mutual funds), separately managed accounts, which primarily invest in common stocks, a fixed

**CBS 401(k) PLAN**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**(Tabular dollars in thousands)**

income fund, consisting of guaranteed investment contracts and synthetic guaranteed investment contracts, and CBS Corp. Class B Common Stock.

Within the Plan, the CBS Corp. Common Stock Funds are part of an Employee Stock Ownership Plan ( ESOP ). As a result, the Plan offers an ESOP dividend election under which Plan participants can elect to reinvest any ESOP dividends paid on vested shares back into the ESOP account in CBS Corp. Class B Common Stock or to receive the dividends as a cash payout. If a participant does not make an election, the dividends are reinvested in the ESOP account.

Participants may also elect to open a self-directed brokerage account ( SDA ). Participants may not contribute directly to the SDA, but may transfer balances to the SDA from other investment funds except the fixed income fund. A participant may transfer up to 25% of his or her account balance (net of loans) to the SDA. The initial transfer to the SDA may not be less than \$2,500 and there is no minimum for subsequent individual transfers.

***Contributions***

The Plan permits participants to contribute up to 50% of annual compensation on a traditional before-tax, Roth 401(k) after-tax or combination basis or 15% on a traditional after-tax basis, subject to the Code limitations set forth below. Roth 401(k) contributions and the related earnings can be withdrawn tax-free if certain requirements are met. The level of employer matching contributions is entirely at the discretion of the Board and is determined annually for all participants in the Plan. Effective February 1, 2011, the Board set the employer's matching contribution at 70% of the first 5% of eligible compensation contributed on a before-tax or Roth 401(k) basis.

Employer matching contributions are initially invested entirely in CBS Corp. Class B Common Stock. Participants are permitted to immediately transfer their Company matching contributions out of CBS Corp. Class B Common Stock and into any other investment option.

Upon date of hire and, effective with the 60<sup>th</sup> day following the date upon which an employee becomes eligible to participate in the Plan, newly hired employees are deemed to have authorized the Company to make before-tax contributions to the Plan in an amount equal to 5% of the employee's eligible compensation. However, a deemed authorization does not take effect if, during the 60-day period the employee elects not to participate in the Plan or to participate at a different contribution rate.

The Code limits the amount of annual participant contributions that can be made on a before-tax or Roth 401(k) basis to \$16,500 for 2011. Total compensation considered under the Plan, based on Code limits, may not exceed \$245,000 for 2011. The Code also limits annual aggregate participant and employer contributions to the lesser of \$49,000 or 100% of compensation in 2011. All contributions made to the Plan

**CBS 401(k) PLAN**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**(Tabular dollars in thousands)**

on an annual basis may be further limited due to certain non-discrimination requirements prescribed by the Code.

All participants who have attained age 50 before the close of the Plan year (calendar year) are eligible to make catch-up contributions. These contributions are not treated as matchable contributions. Catch-up contributions can be made if the eligible participants make the maximum \$16,500 contribution permitted under the Plan for a plan year. The limit for catch-up contributions is \$5,500 in 2011.

***Vesting***

Participants in the Plan are immediately vested in their own contributions and earnings thereon. Employer matching contributions vest at 20% per year of service, becoming fully vested after five years of service. If participants terminate employment prior to being vested in their employer matching contributions, the non-vested portion of their account is forfeited and may be used to reduce future employer matching contributions and to pay administrative expenses. Forfeitures are recorded at the time vested benefits are distributed. During 2011, the Company utilized forfeitures of approximately \$4,354,000 to reduce matching contributions and approximately \$406,000 to pay administrative expenses. As of December 31, 2011 and 2010, the Company had forfeitures of approximately \$1,811,000 and \$1,170,000, respectively, available to be used as noted above.

***Notes Receivable from Participants***

Eligible participants may request a loan for up to the lesser of 50% of the participant's vested account balance or \$50,000, reduced by the highest outstanding balance of any Plan loan made to the participant during the twelve-month period ending on the day before the loan is made. The minimum loan available to a participant is \$500. The interest rate on participant loans is one percentage point above the annual prime commercial rate (as published in The Wall Street Journal) on the first day of the calendar month in which the loan is approved. Principal and interest is payable through payroll deductions. Only one loan may be outstanding at any time. Participants may elect repayment periods

from 12 to 60 months commencing as soon as administratively possible following the distribution of the loan proceeds to the participant. The Plan allows participants to elect a repayment term of up to 300 months for loans used for the acquisition of a principal residence. Repayments of loan principal and interest are allocated in accordance with the participant's then current investment elections.

The loans outstanding carry interest rates ranging from 4.25% to 11.50% as of December 31, 2011.

**CBS 401(k) PLAN**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**(Tabular dollars in thousands)**

*Distributions and Withdrawals*

Earnings on employee contributions (other than after-tax contributions) and employer contributions are not subject to income tax until they are distributed or withdrawn from the Plan.

Participants in the Plan, or their beneficiaries, may receive their vested account balances in a lump sum or in installments over a period of up to 20 years in the event of retirement, termination of employment, disability or death. For vested account balances invested in CBS Corp. Class B Common Stock, participants may elect to receive distributions in cash or whole shares. In the event of termination of employment, participants may also elect a partial lump sum distribution of their account balance. In general, participants must receive a required minimum distribution upon attainment of age 70 1/2 unless they are still employed.

Participants in the Plan may withdraw part or all of their after-tax and rollover contributions and the vested portion of employer matching contributions. Upon attainment of age 59 1/2, participants may also withdraw all or part of their before-tax or Roth 401(k) contributions and earnings thereon. The Plan limits participants to two of the above withdrawal elections in each Plan year.

A participant may obtain a financial hardship withdrawal of the vested portion of employer matching contributions and employee before-tax or Roth 401(k) contributions provided that the requirements for hardship are met and only to the extent required to relieve such financial hardship. There is no restriction on the number of hardship withdrawals permitted.

When a participant terminates employment with the Company, the full value of employee contributions and earnings thereon plus the value of all vested employer matching contributions and earnings thereon are eligible for distribution and can be rolled over to a tax qualified retirement plan or an Individual Retirement Account ( IRA ) or remain in the Plan rather than being distributed. If the vested account balance is \$1,000 or less and the participant does not make an

election to rollover the vested account balance it will be automatically paid in a single lump sum cash payment, and taxes will be withheld from the distribution.

***Plan Expenses***

The fees for investment of Plan assets are charged to the Plan's investment funds. Certain administrative expenses such as fees for accounting and employee communications may be paid by the Plan using forfeitures or may be paid by the Company. Recordkeeping and trustee fees are paid from participant accounts. For 2011, \$467,202 was paid to the Trustee, a party-in-interest, and its affiliates for services provided during the year.

**CBS 401(k) PLAN**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**(Tabular dollars in thousands)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Accounting***

The financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ( GAAP ). Certain previously reported amounts have been reclassified to conform to the current presentation.

In accordance with Financial Accounting Standards Board ( FASB ) guidance, contract value was determined to be the relevant measurement attribute for the portion of net assets available for benefits attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. As a result, the Statements of Net Assets Available for Benefits present the investments at fair value with a separate adjustment from fair value to contract value for the portion of net assets attributable to each fully benefit-responsive investment contract. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis with respect to the fully benefit-responsive investment contracts.

***Investment Valuation and Income Recognition***

Short-term money market investments are carried at amortized cost which approximates fair value due to the short-term maturity of these investments. Investments in common stock are reported at fair value based on quoted market prices on national security exchanges. Investments in registered investment companies are reported at fair value based on quoted market prices representing the net asset value of the shares held by the Plan. The fair value of investments in separately managed accounts is determined by the Trustee based upon the fair value of the underlying securities. The fair values of investments in common collective funds are determined using the Net Asset Value ( NAV ) provided by the administrator of the fund. The NAV is determined by each fund 's trustee based upon the fair



value of the underlying assets owned by the fund, less liabilities, divided by the number of outstanding units. The common collective funds have daily redemptions and one day trading terms. The common collective funds have no unfunded commitments at December 31, 2011. The fair value of fixed income securities is determined by independent pricing sources based on quoted market prices, when available, or using valuation models which incorporate certain other observable inputs including recent trading activity for comparable securities and broker quoted prices. Cash and cash equivalents are valued at cost plus accrued interest, which approximates market value. Interest income is accrued as earned and dividend income is recorded on the ex-dividend date.

Interest rate swaps are recorded at fair value and marked-to-market through the duration of the contract term with an offsetting increase to unrealized appreciation (depreciation). Futures are marked-to-market and settled daily. The daily receipt or payment is recognized as unrealized appreciation (depreciation) until the contract is closed at which time the total fair value of the futures contract is recognized as a realized gain (loss).

**CBS 401(k) PLAN**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**(Tabular dollars in thousands)**

The Plan invests in fully benefit-responsive traditional and synthetic guaranteed investment contracts through a fixed income fund. The contract value of guaranteed investment contracts and synthetic guaranteed investment contracts represents the aggregate amount of deposits thereto, plus interest at the contract rate, less withdrawals. The fair value of the fixed rate traditional guaranteed investment contracts is determined by discounting the related cash flows, based on the contract duration, using a yield curve interpolated from swap rates and adjusted for liquidity and credit quality. The fair value of synthetic guaranteed investment contracts is determined based on quoted market prices for the underlying assets. The fair value of the wrapper contracts for synthetic guaranteed investment contracts is determined using the replacement cost methodology that incorporates various inputs including the difference between the market rate for wrap fees and the actual wrap fees currently charged.

***Security Transactions***

Purchases and sales of securities are recorded on the trade date. The average cost basis is used to determine gains or losses on security dispositions.

Net appreciation or depreciation in the fair value of investments, included in the Statement of Changes in Net Assets Available for Benefits, consists of the realized gains and losses and the unrealized appreciation and depreciation on those investments presented at fair value.

***Notes Receivable from Participants***

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based upon the terms of the Plan document.

*Payment of Benefits*

Benefit payments are recorded when paid.

*Use of Estimates*

The preparation of financial statements in conformity with GAAP requires the Plan to make estimates and assumptions, such as those regarding fair value of investments, that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets available for benefits during the reporting period. Actual results could differ from those estimates.

**CBS 401(k) PLAN**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**(Tabular dollars in thousands)**

*Adoption of New Accounting Standards*

*Fair Value Measurements*

In 2011, the Plan adopted FASB's guidance which requires separate disclosures of purchases, sales, issuances, and settlements in the rollforward of activity for Level 3 fair value measurements. The adoption of this guidance did not have a material effect on the Plan's financial statements.

*Recent Pronouncements*

*Disclosures about Offsetting Assets and Liabilities*

In December 2011, the FASB issued guidance which requires disclosure of both gross and net information about financial instruments and derivative instruments eligible for offset in the balance sheet as well as financial instruments and derivative instruments subject to a master netting arrangement regardless of whether they are offset. The adoption of this guidance, which is effective for reporting periods beginning January 1, 2013, is not expected to have a material effect on the Plan's financial statements.

*Fair Value Measurements*

In May 2011, the FASB issued guidance to improve the comparability of fair value measurements presented in financial statements prepared in accordance with GAAP and International Financial Reporting Standards (IFRS). This guidance, which is effective for the Plan's annual reporting period ending December 31, 2012, clarifies the FASB's

intent about the application of existing fair value measurement requirements and changes certain principles and requirements for measuring fair value or for disclosing information about fair value measurements. The adoption of this guidance will not have a material effect on the Plan's financial statements.

**NOTE 3 RISKS AND UNCERTAINTIES**

The Plan provides for various investment options. Investment securities are exposed to various risks such as interest rate, market and credit. Market values of investments could decline for several reasons including changes in prevailing market and interest rates, increases in defaults, and credit rating downgrades. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of such securities, it is at least reasonably possible that changes in investment values in the near term could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits and the related Statement of Changes in Net Assets Available for Benefits.

**CBS 401(k) PLAN****NOTES TO FINANCIAL STATEMENTS (Continued)****(Tabular dollars in thousands)****NOTE 4 INVESTMENTS**

Individual investments representing 5% or more of the Plan's net assets available for benefits are identified below:

	<b>At December 31,</b>	
	<b>2011</b>	<b>2010</b>
BlackRock S&P 500 Index Fund	\$ 495,088	\$ 511,402
CBS Corporation Class B Common Stock	\$ 372,754	\$ 253,836
Synthetic guaranteed investment contracts, at contract value:		
Monumental Life Insurance Company MDA00930TR	\$ 547,366	\$ 526,735
Prudential Insurance Company of America GA-62413	\$ 397,724	\$
JPMorgan Chase Bank ACBS-01	\$	\$ 436,185
Natixis Financial Products, Inc. No. 1222-01	\$ 352,951	\$ 340,435
State Street Bank and Trust Company No. 108002	\$ 191,541	\$ 202,112

During the year ended December 31, 2011 the Plan's investments (including gains and losses on investments sold and held during the year) appreciated (depreciated) as follows:

Common collective funds	\$ (18,271)
Separately managed accounts (common stock)	(15,707)
Common stock	109,032
Mutual funds	(4,241)
Other	187
Net appreciation in fair value of investments	\$ 71,000

**Investment Contracts**

The Plan invests in guaranteed investment contracts and synthetic guaranteed investment contracts. As described in Note 2, the guaranteed investment contracts are fully benefit-responsive and therefore, contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to these contracts. In a guaranteed investment contract, the issuer is contractually obligated to repay the principal and a specified rate of interest to the fund. There are no reserves against contract value for credit risk of the contract issuer or otherwise.

A synthetic guaranteed investment contract provides for the repayment of principal plus a specified rate of interest through benefit-responsive wrapper contracts. A wrapper contract is issued by a third party insurance company, financial institution or bank, and is held in combination with fixed income securities to form a

**CBS 401(k) PLAN**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**(Tabular dollars in thousands)**

synthetic guaranteed investment contract. The interest crediting rate on synthetic guaranteed investment contracts reflects the yield of the associated fixed income investments, plus the amortization of realized and unrealized gains and losses on those investments, typically over the duration of the investments. Interest crediting rates are reset on a monthly or quarterly basis, and the wrapper contracts provide that adjustments to the interest crediting rate cannot result in a future interest crediting rate that is less than zero. Certain factors can influence the future interest crediting rates including, the level of market interest rates, the amount and timing of participant contributions and withdrawals, and the returns generated by the fixed income investments that are associated with the synthetic guaranteed investment contract.

In certain circumstances, the amounts withdrawn from the investment contracts will be paid at fair value rather than contract value due to employer initiated events. These events include, but are not limited to: Plan termination, a material adverse change to the provisions of the Plan, an employer election to withdraw from the contract to switch to a different investment provider, an employer's bankruptcy, full or partial termination of the Plan, layoffs, plant closings, corporate spin-offs, mergers, divestitures or other workforce restructurings, or if the terms of a successor plan do not meet the contract issuer's underwriting criteria for issuance of a replacement contract with identical terms. The Company does not expect any employer initiated events that may cause premature liquidation of a contract at market value.

The contract issuer is permitted to terminate the fully benefit-responsive investment contracts with the Plan and settle at an amount different from contract value in certain events, including loss of the Plan's qualified status, an un-cured material breach of responsibility, or material adverse changes to the provisions of the Plan.

At December 31, 2011 and 2010, guaranteed investment contracts at contract value of \$20 million and \$32 million, respectively, had fair values in aggregate of \$21 million and \$34 million, respectively. At December 31, 2011 and 2010, synthetic guaranteed investment contracts at contract value of \$1.64 billion and \$1.66 billion, respectively, had fair values in the aggregate of \$1.76 billion and \$1.77 billion, respectively. The fair value of wrapper contracts was \$.6 million and \$5 million at December 31, 2011 and 2010, respectively.



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The average yields for investment contracts in the fixed income fund were as follows:

	<b>At December 31,</b>	
	<b>2011</b>	<b>2010</b>
Based on actual earnings	1.6%	2.5%
Based on interest rate credited to participants	3.5%	3.8%

**CBS 401(k) PLAN****NOTES TO FINANCIAL STATEMENTS (Continued)****(Tabular dollars in thousands)**

The following table presents the fair value of the assets, by type, that support the Plan's synthetic guaranteed investment contracts held in the fixed income fund at December 31, 2011 and 2010.

	<b>At December 31,</b>	
	<b>2011</b>	<b>2010</b>
Cash and cash equivalents	\$ 245	\$ 1,044
Money market funds	57,055	153,008
Common collective funds	51,823	548,873
Fixed income securities	1,675,149	1,239,463
Futures	1,322	191
Options		(1,401)
Swaps		(231)
Wrapper value	567	5,374
Net payables	(29,184)	(180,718)
Synthetic guaranteed investment contracts	\$ 1,756,977	\$ 1,765,603

**NOTE 5 - FAIR VALUE MEASUREMENTS**

The following tables set forth the Plan's financial assets measured at fair value on a recurring basis at December 31, 2011 and 2010. See Note 2 for the valuation methodology used to measure the fair value of these investments. There have been no changes to the methodologies used to measure the fair value of each asset from December 31, 2010 to 2011. These assets have been categorized according to the three-level fair value hierarchy established by the FASB, which prioritizes the inputs used in measuring fair value. Level 1 is based on quoted prices for the asset in active markets. Level 2 is based on inputs that are observable other than quoted market prices in Level 1, such as quoted prices for the asset in inactive markets or quoted prices for similar assets. Level 3 is based on unobservable inputs reflecting the Plan's own assumptions about the assumptions that market participants would use in pricing the asset.

## CBS 401(k) PLAN

## NOTES TO FINANCIAL STATEMENTS (Continued)

(Tabular dollars in thousands)

At December 31, 2011	Level 1	Level 2	Level 3	Total
Fixed income fund:				
Money market funds (a)	\$	\$ 39,223	\$	\$ 39,223
Guaranteed investment contracts			21,017	21,017
Assets held under synthetic guaranteed investment contracts:				
Cash and cash equivalents, including net (payables) receivables	(32,999)	4,060		(28,939)
Money market funds (a)		57,055		57,055
Common collective funds (b)		51,823		51,823
U.S. Treasury securities	614,461			614,461
Government related securities		140,883		140,883
Corporate bonds		412,778		412,778
Mortgage-backed and asset-backed securities		507,027		507,027
Futures (c)	1,322			1,322
Wrapper value			567	567
Common collective funds:				
S&P 500 index fund (d)		495,088		495,088
Target date retirement funds (e)		257,134		257,134
Emerging markets equity fund		78,688		78,688
Mid cap equity index fund		79,663		79,663
Bond index fund		123,927		123,927
International equity fund		78,765		78,765
Separately managed accounts:				
Wellington Growth Portfolio (f)	112,472	1,299		113,771
Dodge & Cox Value Equity Fund (f)	89,950	2,951		92,901
Common stock:				
CBS Corp. Common Stock	373,407			373,407
Other Common Stock	16,733			16,733
Registered investment companies (g)	97,138			97,138
Money market funds (a)		9,817		9,817
Other	673			673
<b>Total</b>	<b>\$ 1,273,157</b>	<b>\$ 2,340,181</b>	<b>\$ 21,584</b>	<b>\$ 3,634,922</b>

(a) Primarily invested in U.S. government securities and U.S. government agency securities.

(b) Primarily invested in mortgage-backed and U.S. government fixed income securities.

(c) See Note 6 for asset and liability positions of derivative financial instruments.

(d) Primarily invested in large capitalization equities.

(e) Primarily invested in a mix of equities and bonds based on target retirement year.

(f) Primarily invested in large capitalization equities. Assets categorized as Level 2 reflect investments in mutual funds traded in inactive markets.

(g) Primarily invested in small capitalization equities.



## CBS 401(k) PLAN

## NOTES TO FINANCIAL STATEMENTS (Continued)

(Tabular dollars in thousands)

At December 31, 2010	Level 1	Level 2	Level 3	Total
Fixed income fund:				
Money market funds (a)	\$	\$ 37,870	\$	\$ 37,870
Guaranteed investment contracts			34,206	34,206
Assets held under synthetic guaranteed investment contracts:				
Cash and cash equivalents, including net (payables) receivables	(180,831)	1,157		(179,674)
Money market funds (a)		153,008		153,008
Common collective funds (b)		548,873		548,873
U.S. Treasury securities	313,314			313,314
Government related securities		162,905		162,905
Corporate bonds		304,511		304,511
Mortgage-backed and asset-backed securities		458,733		458,733
Futures (c)	191			191
Options (c)		(1,401)		(1,401)
Swaps (c)		(231)		(231)
Wrapper value			5,374	5,374
Common collective funds:				
S&P 500 index fund (d)		511,402		511,402
Target date retirement funds (e)		239,366		239,366
Emerging markets equity fund		117,181		117,181
Bond index fund		107,638		107,638
International equity fund		93,903		93,903
Separately managed accounts:				
Wellington Growth Portfolio (f)	124,358	649		125,007
Dodge & Cox Value Equity Fund (f)	94,844	3,071		97,915
Mellon Capital Mid Cap Stock Fund (g)	78,753	950		79,703
Common stock:				
CBS Corp. Common Stock	254,337			254,337
Other Common Stock	17,554			17,554
Registered investment companies (h)	101,416			101,416
Money market funds (a)		8,258		8,258
Other	665			665
<b>Total</b>	<b>\$ 804,601</b>	<b>\$ 2,747,843</b>	<b>\$ 39,580</b>	<b>\$ 3,592,024</b>

(a) Primarily invested in U.S. government securities and U.S. government agency securities.

(b) Primarily invested in mortgage-backed and U.S. government fixed income securities.

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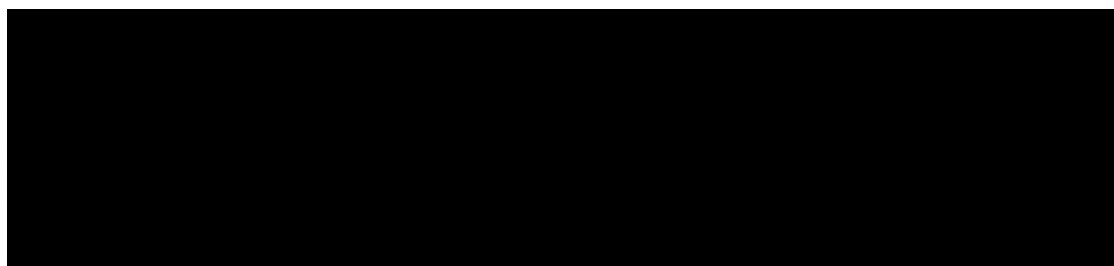
- (c) See Note 6 for asset and liability positions of derivative financial instruments.
- (d) Primarily invested in large capitalization equities.
- (e) Primarily invested in a mix of equities and bonds based on target retirement year.
- (f) Primarily invested in large capitalization equities. Assets categorized as Level 2 reflect investments in mutual funds traded in inactive markets.
- (g) Primarily invested in mid capitalization equities. Assets categorized as Level 2 reflect investments in mutual funds traded in inactive markets.
- (h) Primarily invested in small capitalization equities.

**CBS 401(k) PLAN**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**(Tabular dollars in thousands)**

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 assets at December 31, 2011.

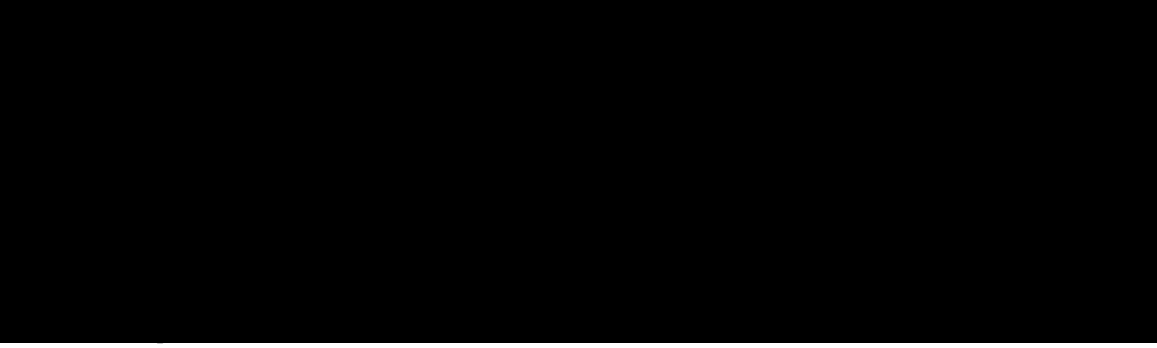
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**NOTE 6 - FINANCIAL INSTRUMENTS**

As part of their investment strategy, the managers of the fixed income fund, which invests in synthetic guaranteed investment contracts, may use derivative financial instruments for various purposes including, managing exposure to sector risk or movements in interest rates, extending the duration of the life of the investment portfolio and as a substitute for cash securities. The derivative instruments typically used are interest rate futures, options and swaps. There is exposure to credit loss in the event of nonperformance by counterparties to option and swap transactions. The Plan's investment managers continually monitor the Plan's positions with, and credit quality of, the financial institutions which are counterparties to its derivative instruments. Nonperformance by any of the counterparties is not anticipated.

The notional amount of outstanding futures contracts was \$68 million at December 31, 2011 and \$37 million at December 31, 2010. The notional amount of outstanding swap contracts was \$72 million at December 31, 2010. There were no outstanding swap contracts at December 31, 2011.

The fair value of derivative financial instruments recorded on the Statements of Net Assets Available for Benefits at December 31, 2011 and 2010 was as follows:



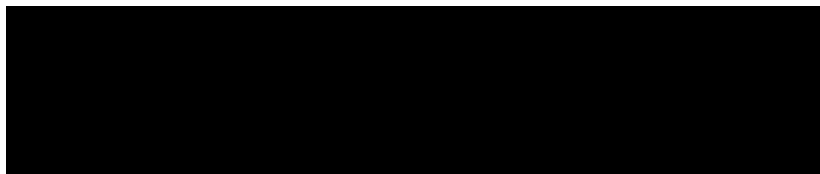


**CBS 401(k) PLAN**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**(Tabular dollars in thousands)**

Gains and losses recognized on derivative financial instruments were as follows:

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The gains and losses recognized on derivative instruments are reflected in the fair value of the synthetic guaranteed investment contracts, which is used in determining the interest earned on these contracts.

**NOTE 7 - INCOME TAX STATUS**

The Internal Revenue Service ( IRS ) issued a favorable determination letter dated May 20, 2003, that the Plan satisfied the requirements of Section 401(a) of the Code and that the trust thereunder is exempt from federal income taxes under the provisions of Section 501(a) of the Code. The Plan has been amended since receiving the determination letter, was restated effective January 1, 2008 and the restated Plan has subsequently been amended. On February 2, 2009, the restated Plan was submitted to the IRS for routine periodic review and to obtain an updated determination letter. The Plan Administrator believes that the Plan is designed and is currently being operated in compliance with the applicable provisions of the Code. In addition, the Plan Administrator has concluded that as of December 31, 2011, there are no uncertain tax positions taken or expected to be taken that require recognition of an asset or liability or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2008.

**NOTE 8 TERMINATION PRIORITIES**

Although the Company anticipates that the Plan will continue indefinitely, it reserves the right, by action of its Board, or delegates thereof, to amend or terminate the Plan provided that such action does not retroactively reduce earned participant benefits. In the event of termination of the Plan, participants become fully vested. Upon termination, the Plan provides that the net assets of the Plan would be distributed to participants based on their respective account balances.

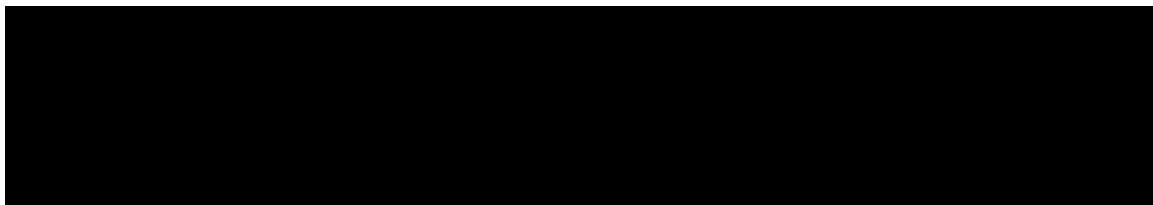
**CBS 401(k) PLAN**

**NOTES TO FINANCIAL STATEMENTS (Continued)**

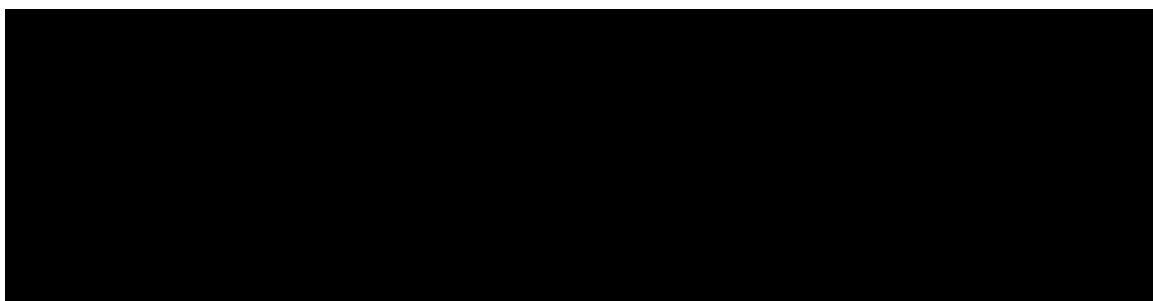
**(Tabular dollars in thousands)**

**NOTE 9 - RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500**

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

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The following is a reconciliation of the net increase in net assets available for benefits as reflected in the financial statements to the Form 5500:

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Amounts allocated to withdrawing participants are recorded on the Form 5500 for benefit claims that have been processed and approved for payment prior to December 31, 2011, but were not paid as of that date.



**CBS 401 (k) PLAN**

**SCHEDULE OF DELINQUENT PARTICIPANT CONTRIBUTIONS**

**For the year ended December 31, 2011**

**(Dollars in thousands)**

Participant Contributions Transferred Late to Plan Check Here If Late Participant Loan Repayments Are Included	x	Total That Constitute Nonexempt Prohibited Transactions			Total Fully Corrected Under Voluntary Fiduciary Correction Program (VFCP) and Prohibited Transaction Exemption 2002-51
		Contributions Not Corrected	Contributions Corrected Outside VFCP	Contributions Pending Correction in VFCP	
\$	3	\$ -	\$ 278	\$ -	\$ -

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## CBS 401 (k) PLAN

## SCHEDULE OF ASSETS (HELD AT END OF YEAR)

December 31, 2011

(Dollars in thousands)

Identity of issuer, borrower, lessor or similar party	Maturity and Interest Rates	Cost (5)	Current Value	Wrapper Value
<u>Self Directed Accounts</u>			\$ 27,194	\$ -
<u>Corporate Common Stock</u>				
* CBS Corporation Class A Common Stock			653	-
* CBS Corporation Class B Common Stock			372,754	-
Total Corporate Common Stock			373,407	-
<u>Mutual Funds</u>				
DFA U.S. Small Cap Fund			92,560	-
* Dreyfus Government Cash Management Fund			43,830	-
Total Mutual Funds			136,390	-
<u>Common Collective Funds</u>				
BlackRock S&P 500 Index Fund			495,088	-
* BNY Mellon Aggregate Bond Index Fund			123,927	-
BlackRock Mid Cap Equity Index Fund			79,663	-
Capital Guardian Emerging Markets Equity Fund			78,688	-
Capital Guardian International Equity Fund			78,765	-
BlackRock LifePath 2020 Fund			84,773	-
BlackRock LifePath 2040 Fund			57,949	-
BlackRock LifePath Retirement Fund			40,852	-
BlackRock LifePath 2035 Fund			16,557	-
BlackRock LifePath 2030 Fund			14,787	-
BlackRock LifePath 2015 Fund			11,764	-
BlackRock LifePath 2025 Fund			12,271	-
BlackRock LifePath 2045 Fund			9,065	-
BlackRock LifePath 2050 Fund			9,116	-
Total Common Collective Funds			1,113,265	-
<u>Separately Managed Accounts (1)</u>				
(2) Wellington Growth Portfolio			113,771	-
(2) Dodge & Cox Value Equity Fund			92,901	-

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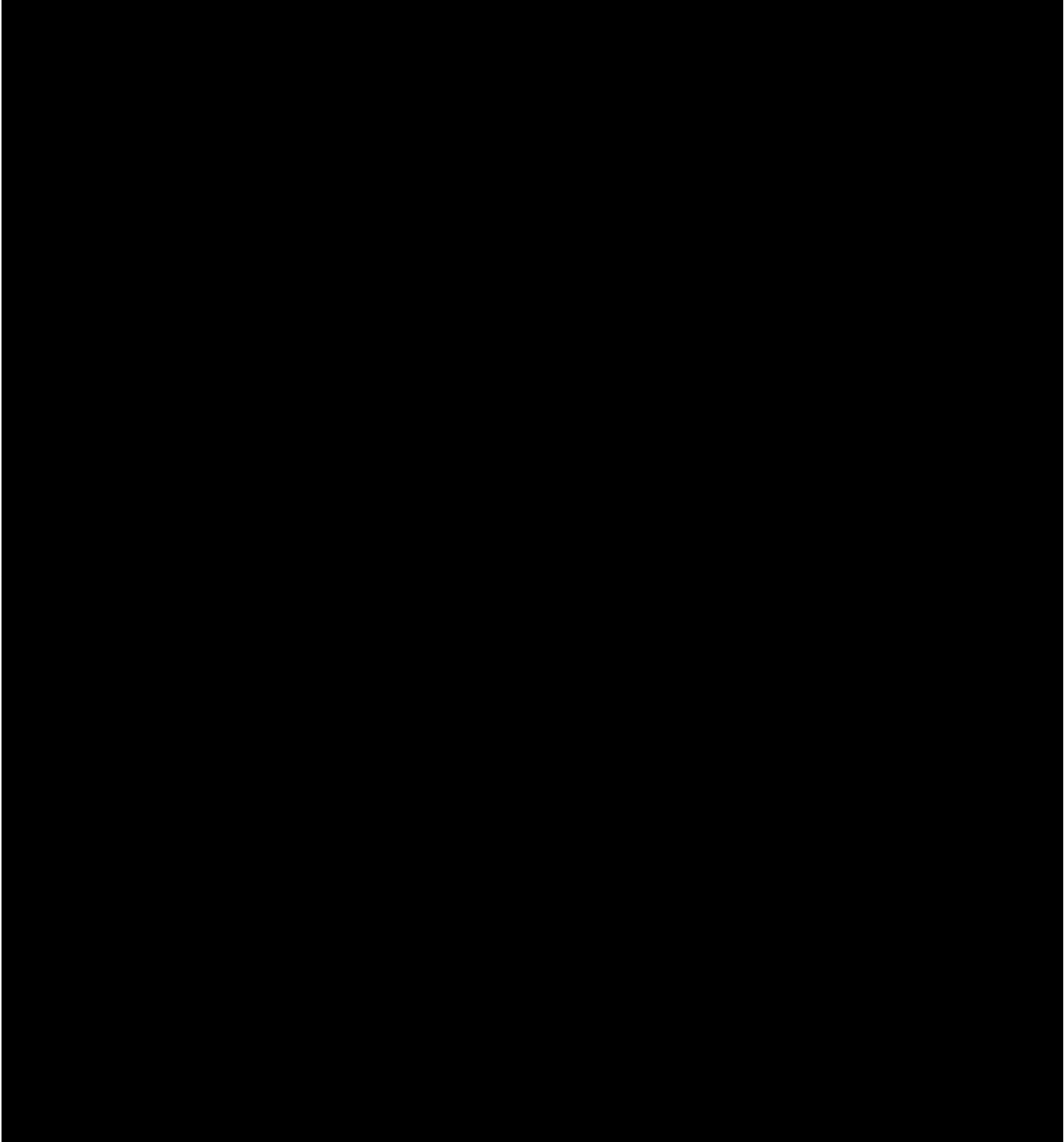
Total Separately Managed Accounts		206,672	-
<u>Guaranteed Investment Contracts</u>			
Prudential Insurance Company of America G-10112-215	12/10/2013 and 5.09%	12,502	-
Jackson National Life Insurance Company G-1378-4	12/2/2013 and 5.32%	8,515	-
Total Guaranteed Investment Contracts		21,017	-
<u>Synthetic Guaranteed Investment Contracts</u>			
<u>(3)</u>			
(4) Monumental Life Insurance Company MDA00930TR	evergreen and variable %	592,947	-
(4) Prudential Insurance Company of America GA-62413	evergreen and variable %	417,783	-
(4) Natixis Financial Products, Inc. No. 1222-01	evergreen and variable %	382,305	-
(4) State Street Bank and Trust Company No. 108002	evergreen and variable %	204,525	-
(4) Natixis Financial Products, Inc. No. 1222-02	evergreen and variable %	159,417	-
Total Synthetic Guaranteed Investment Contracts		1,756,977	-
	Maturity dates through 2035 and interest rates ranging from 4.25% to 11.50%		
* Notes receivable from participants		28,836	-
Wrapper value		-	567
<b>Total Assets, at fair value</b>		<b>\$ 3,663,758</b>	<b>\$ 567</b>

\* Identified as a party-in-interest to the Plan.

- (1) Includes \$6 million of investments identified as a party-in-interest to the Plan.
- (2) Refer to Attachment A for listing of assets relating to these accounts.
- (3) Includes \$60 million of investments identified as a party-in-interest to the Plan.
- (4) Refer to Attachment B for listing of assets relating to these contracts.
- (5) There are no non-participant directed investments.

**Attachment A**

**(In thousands)**







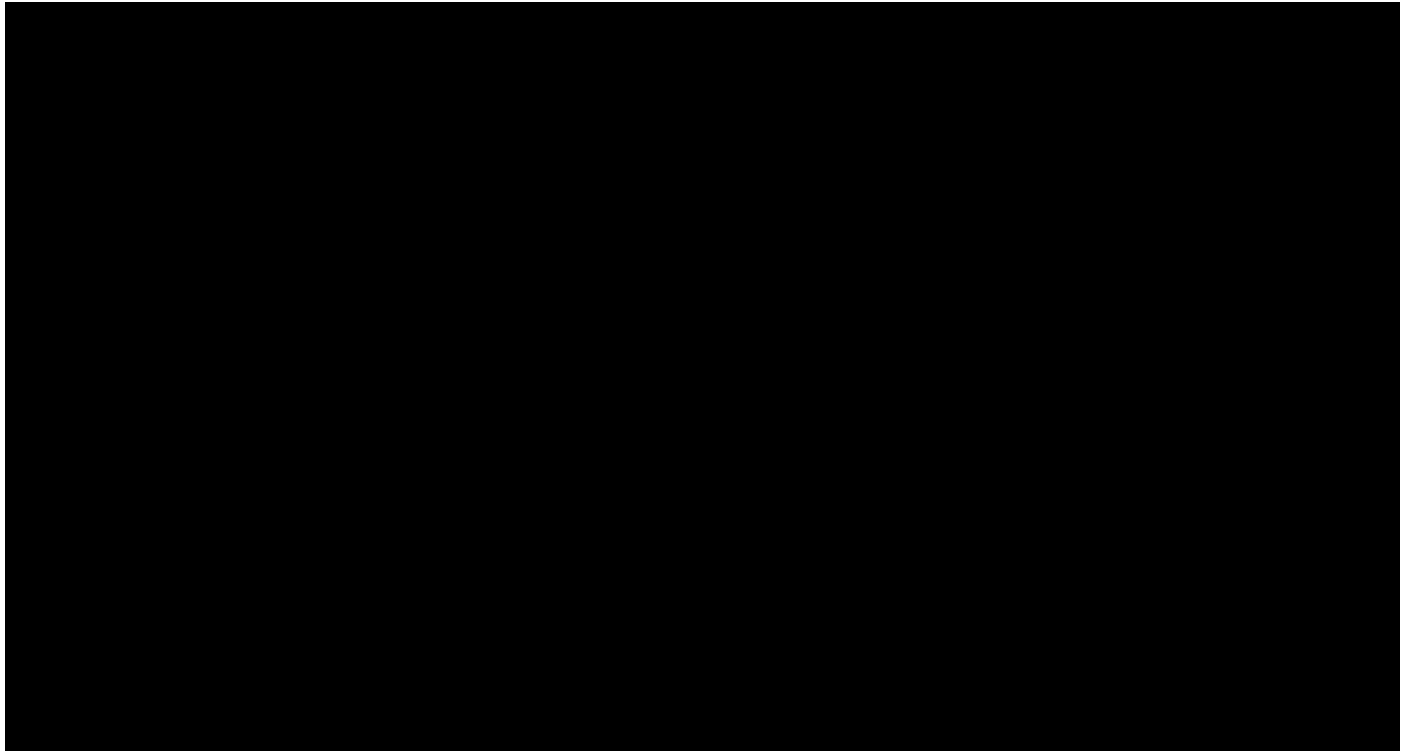
S - 3

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**Attachment A**

**(In thousands)**





\* Identified as a party-in-interest to the Plan.

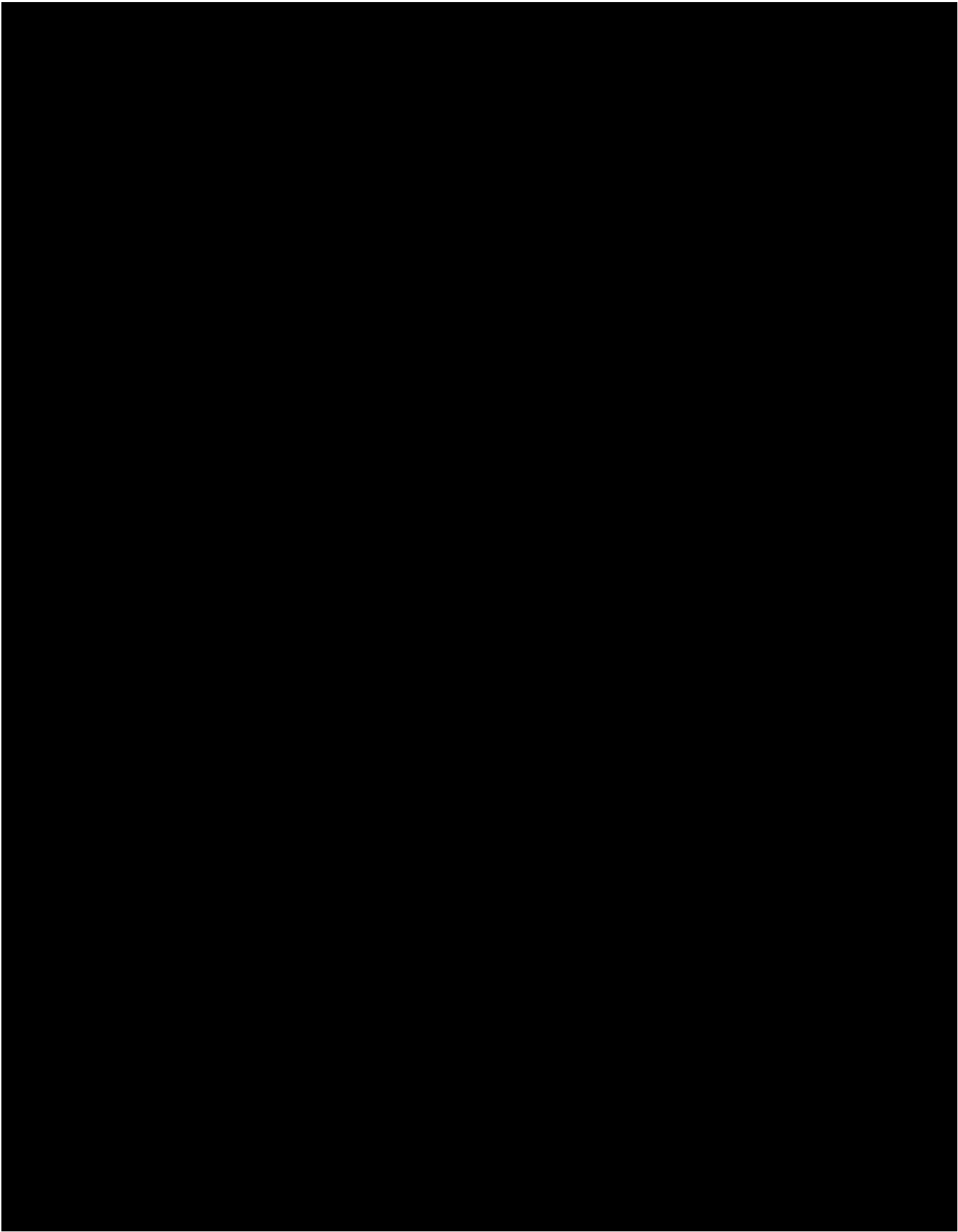
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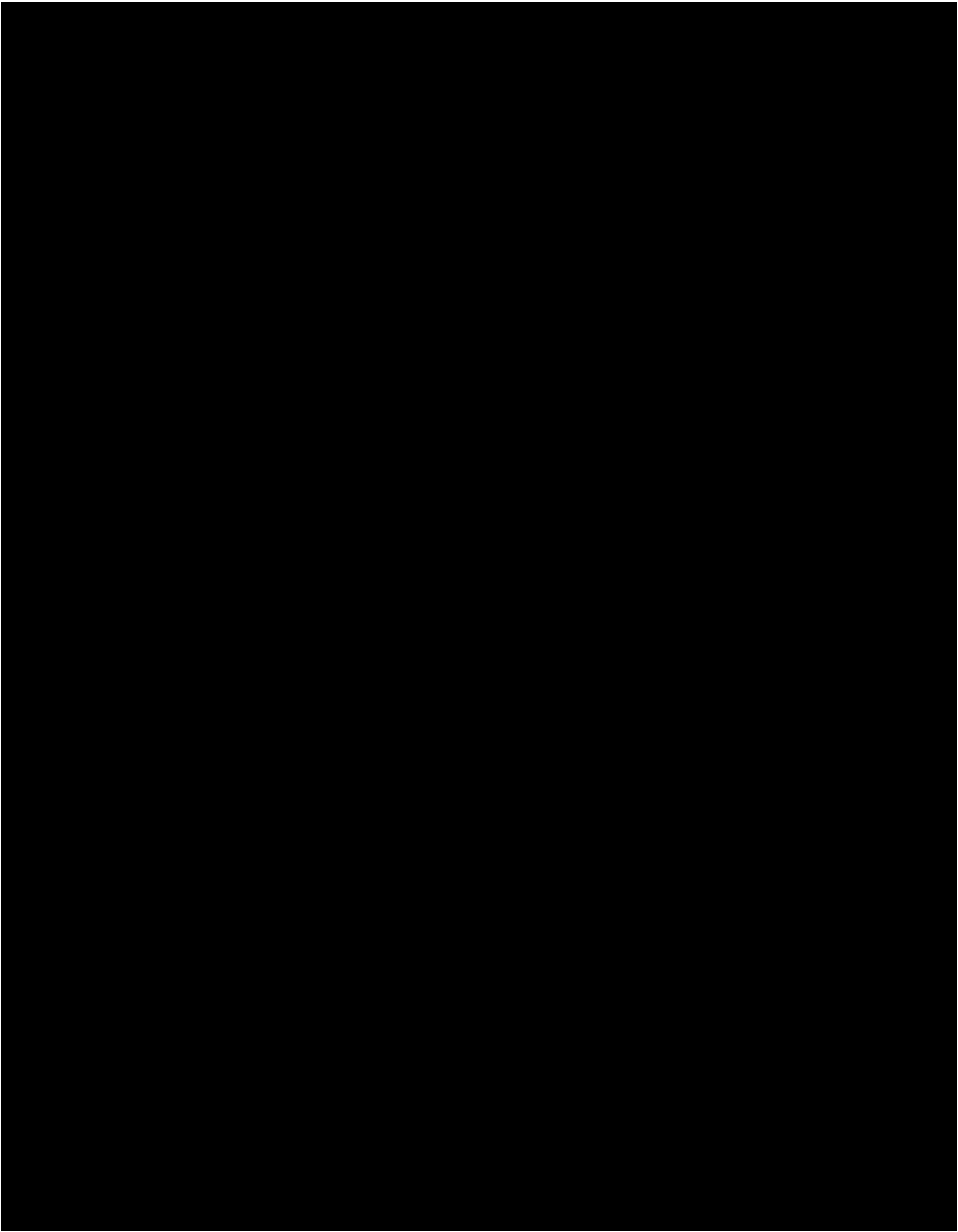
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**Attachment B**

**(In thousands)**

Identity of Issuer	Maturity and Interest Rates	Description	Current Value
[Redacted content]			







S - 5

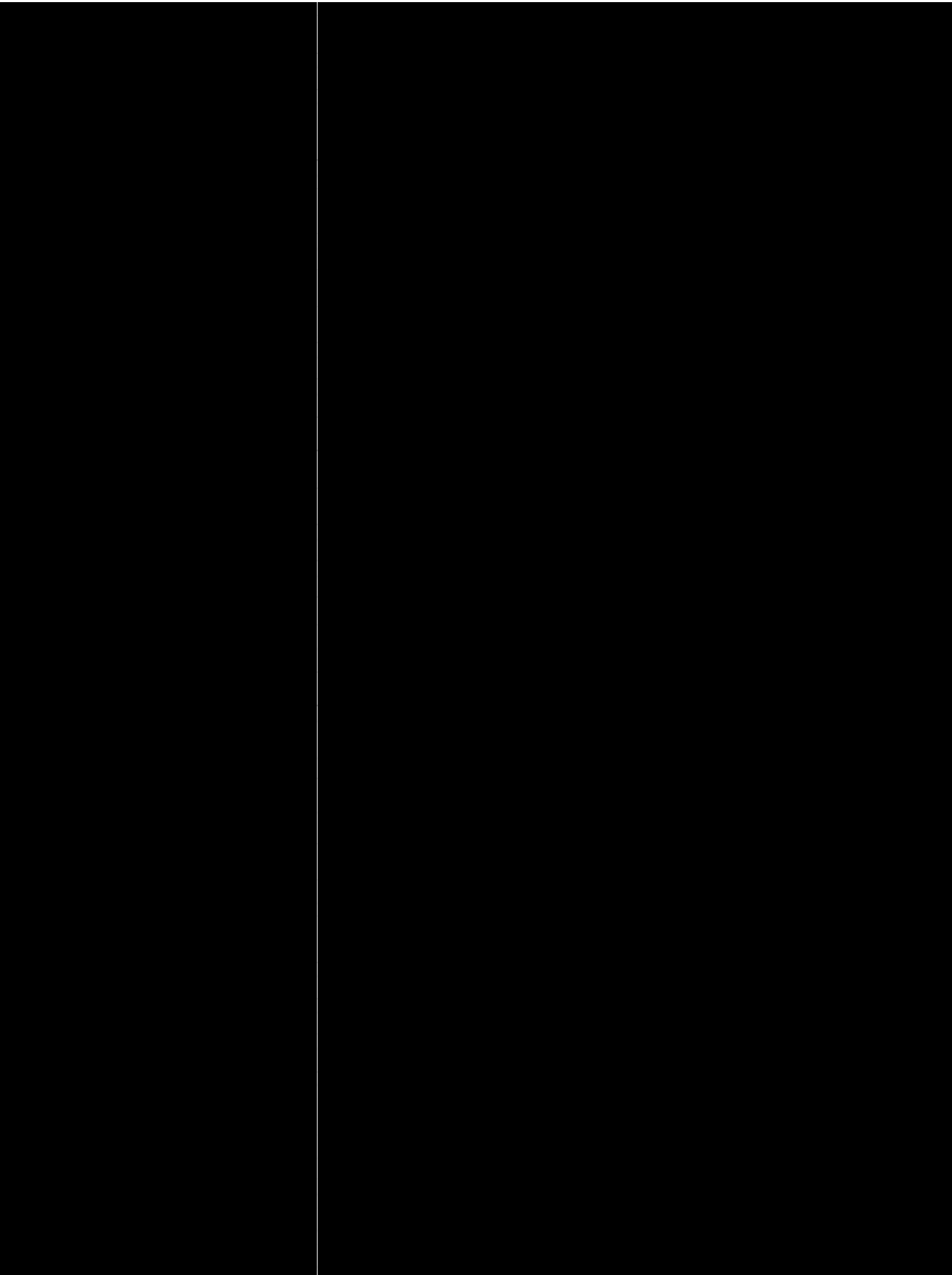
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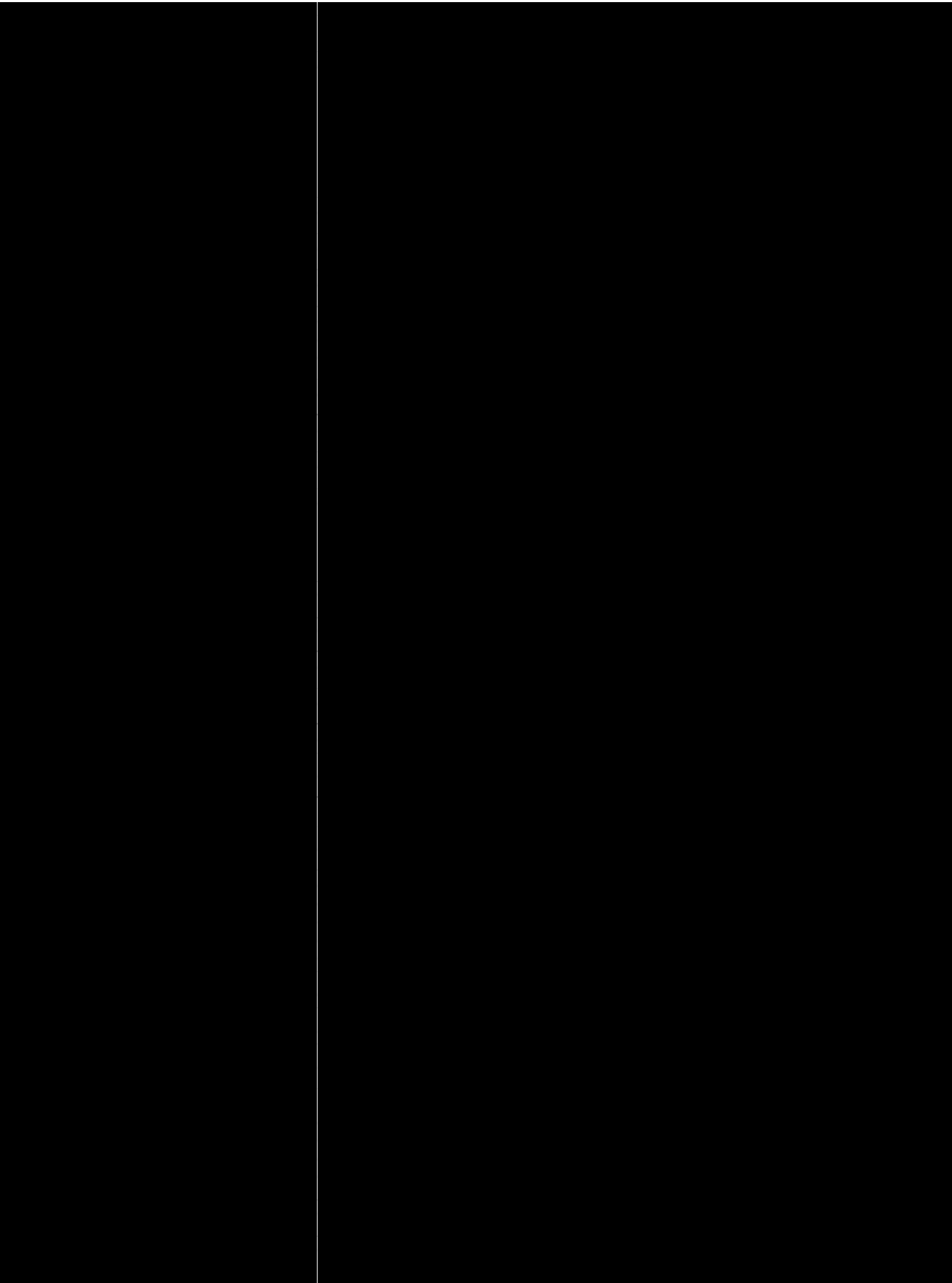
**Attachment B**

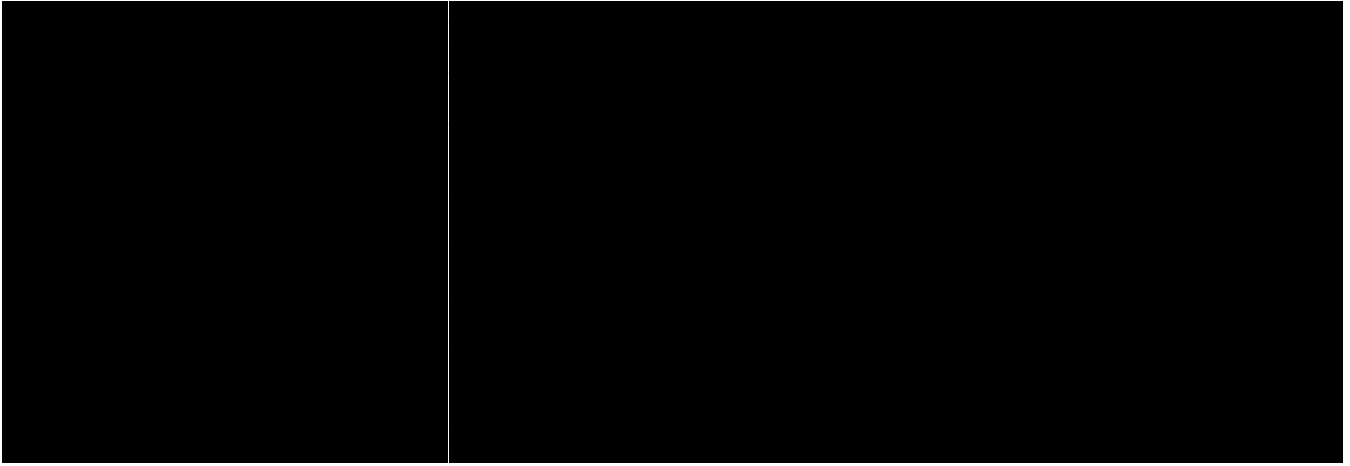
**(In thousands)**

Identity of Issuer	Maturity and Interest Rates	Description	Current Value
[Redacted content]			









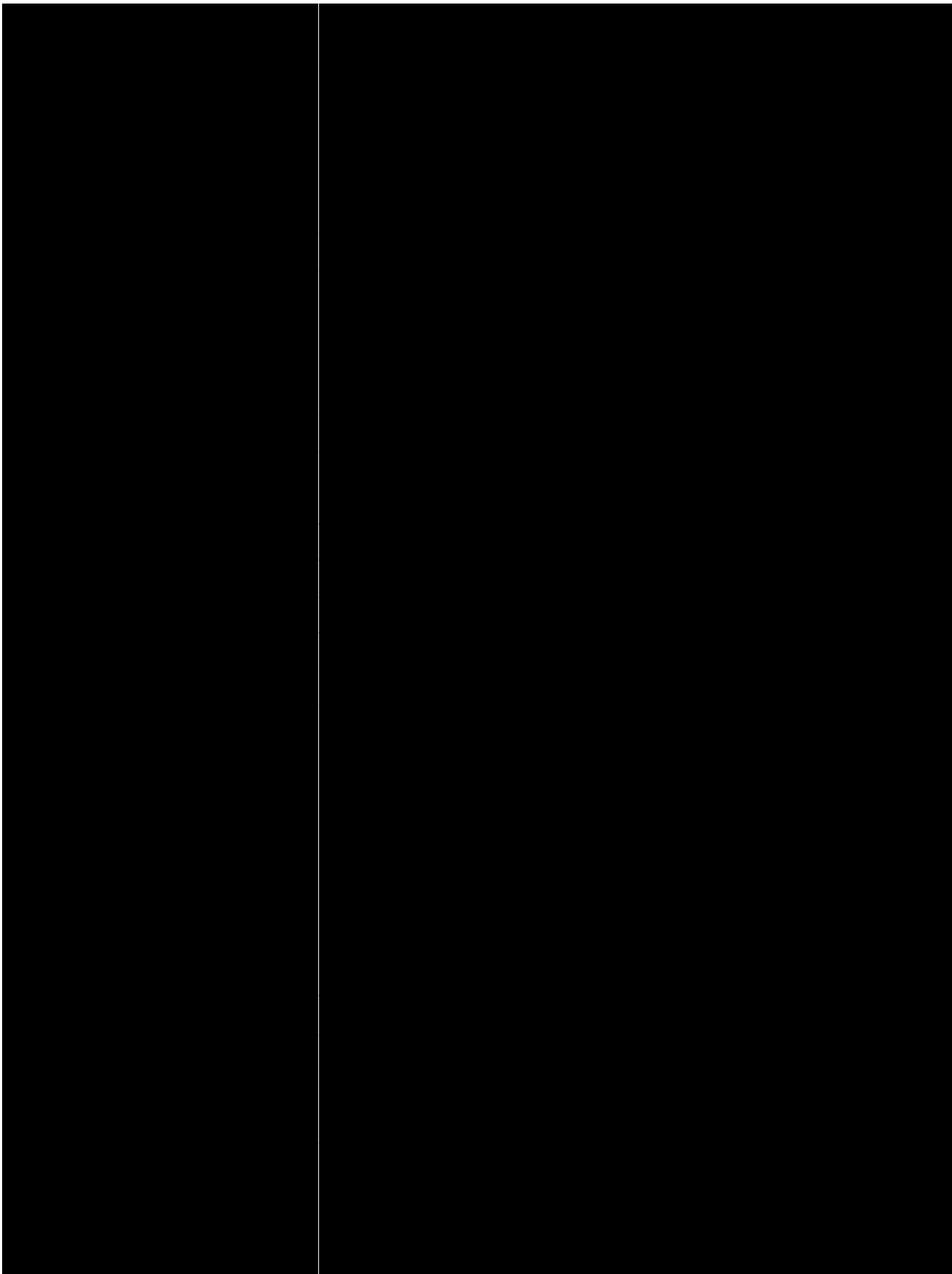
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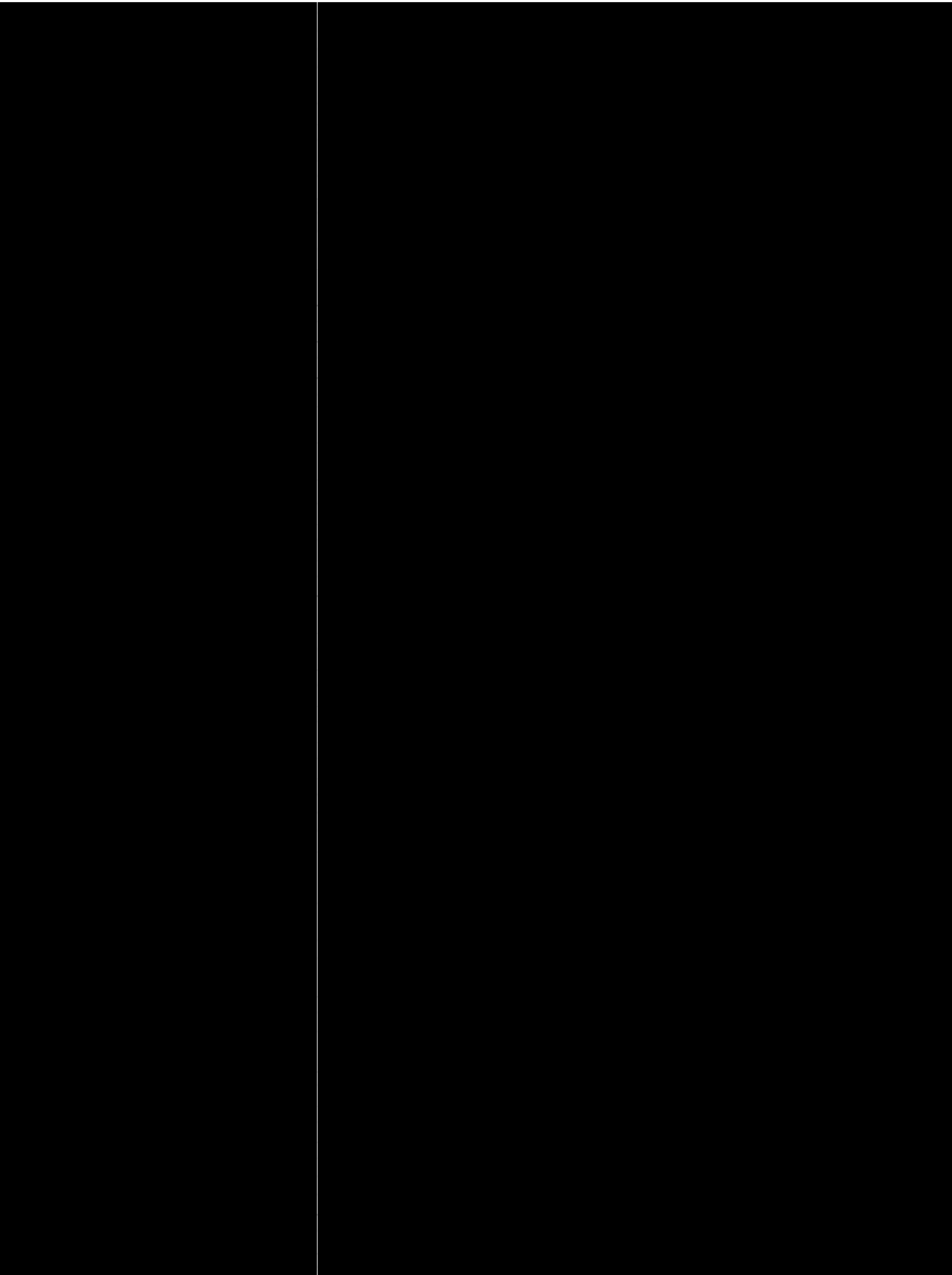
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**Attachment B**

**(In thousands)**

Identity of Issuer	Maturity and Interest Rates	Description	Current Value
[Redacted content]			







S - 7

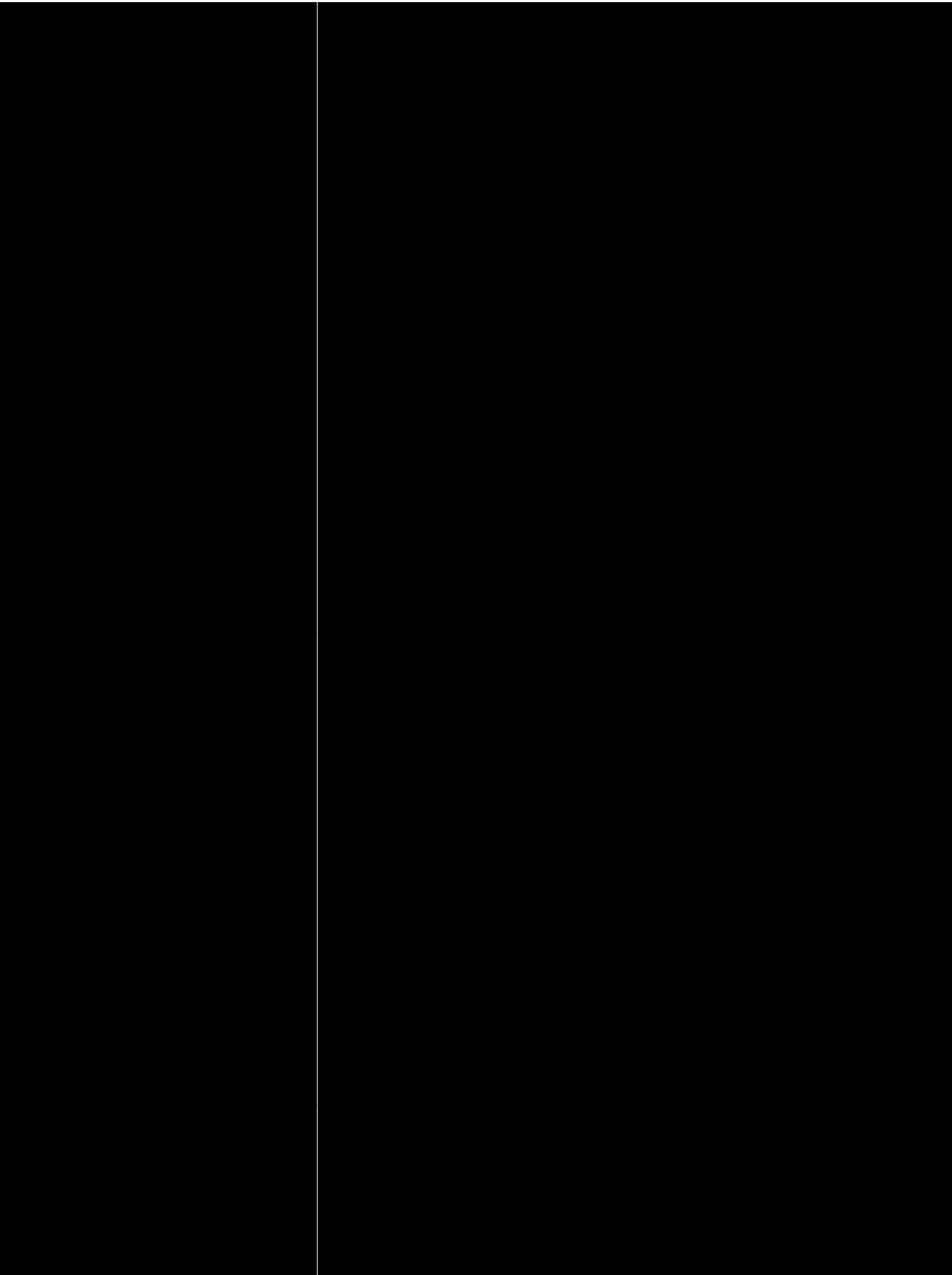
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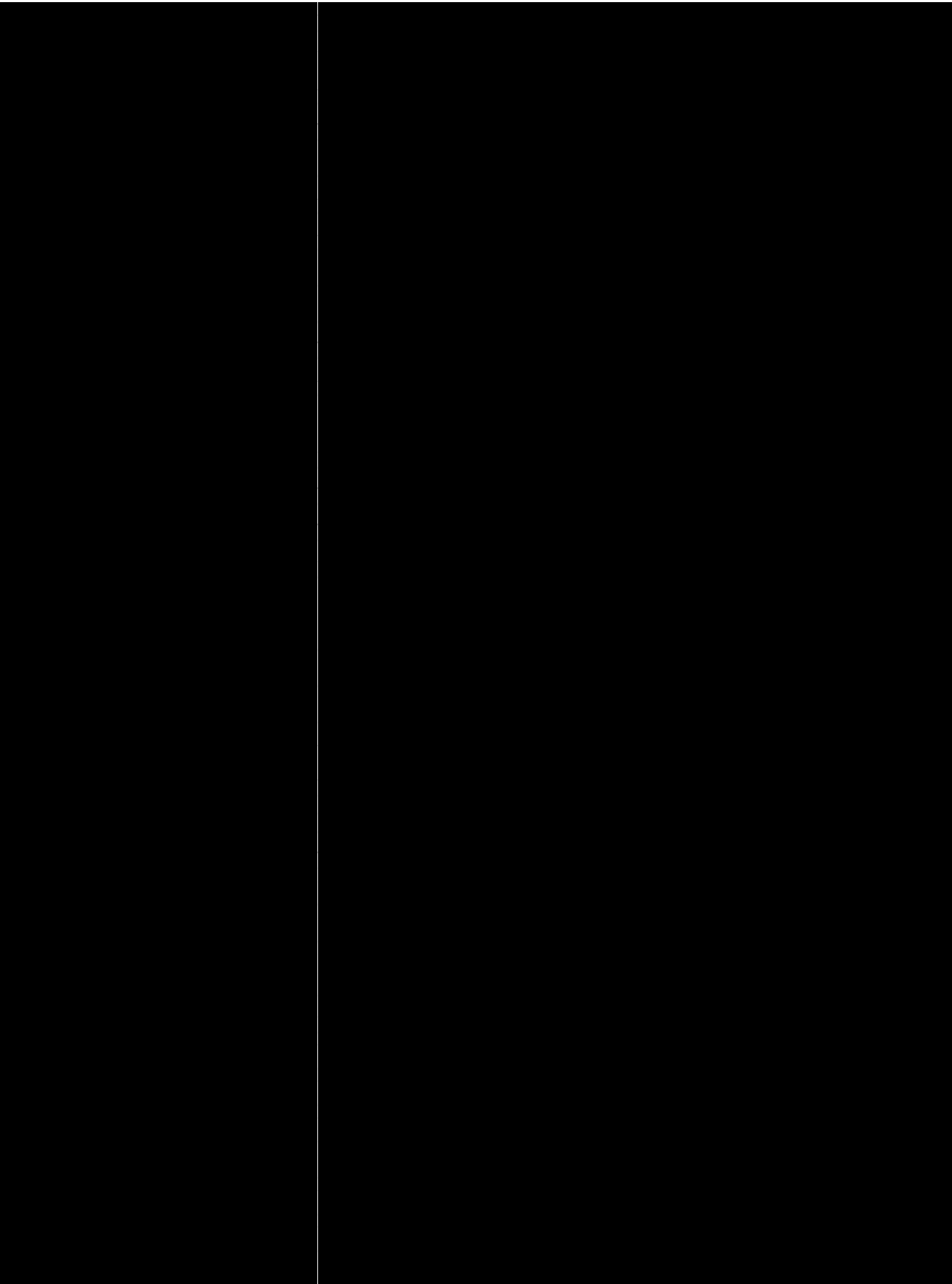
**Attachment B**

**(In thousands)**

Identity of Issuer	Maturity and Interest Rates	Description	Current Value
[Redacted content]			









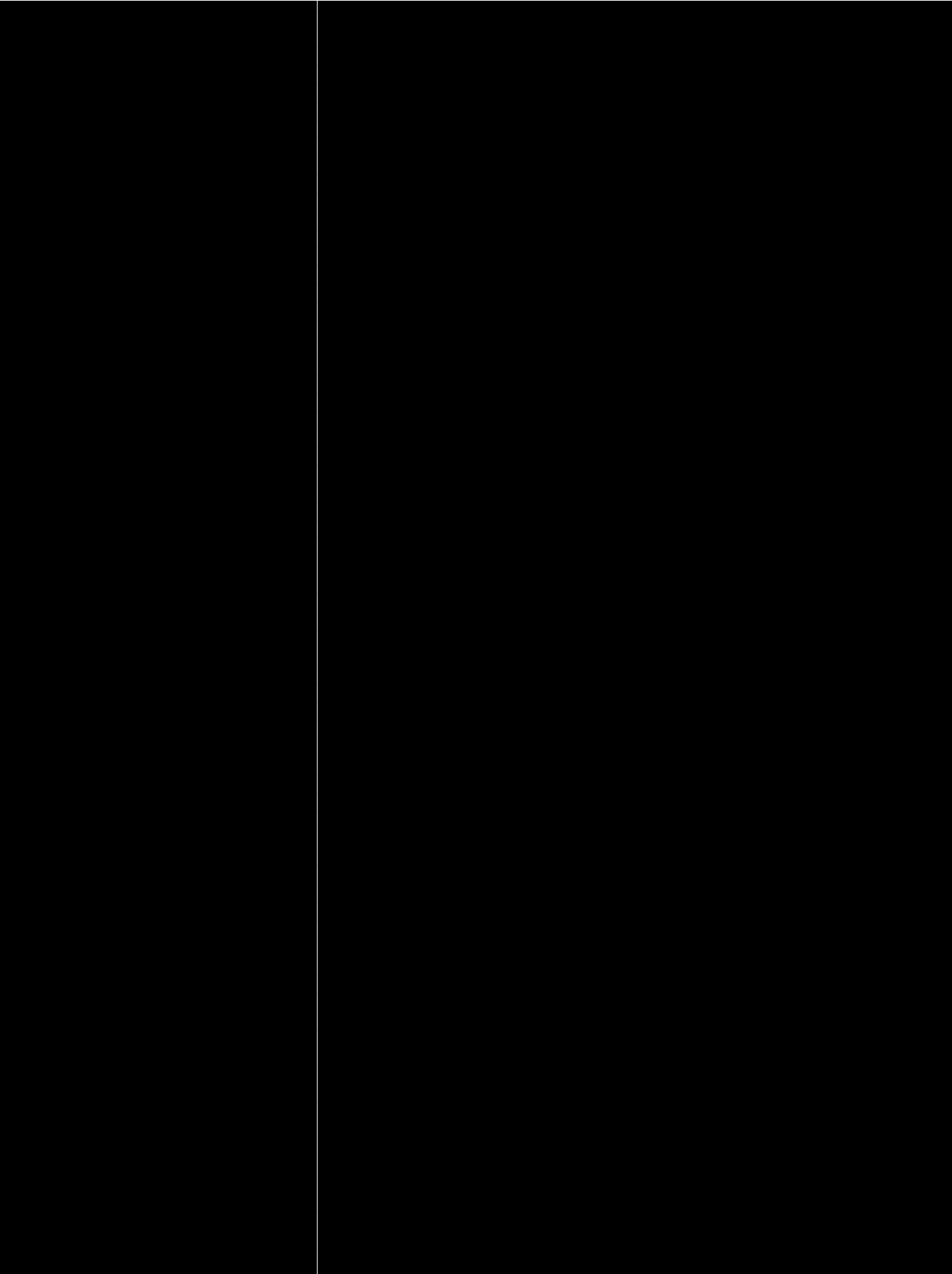
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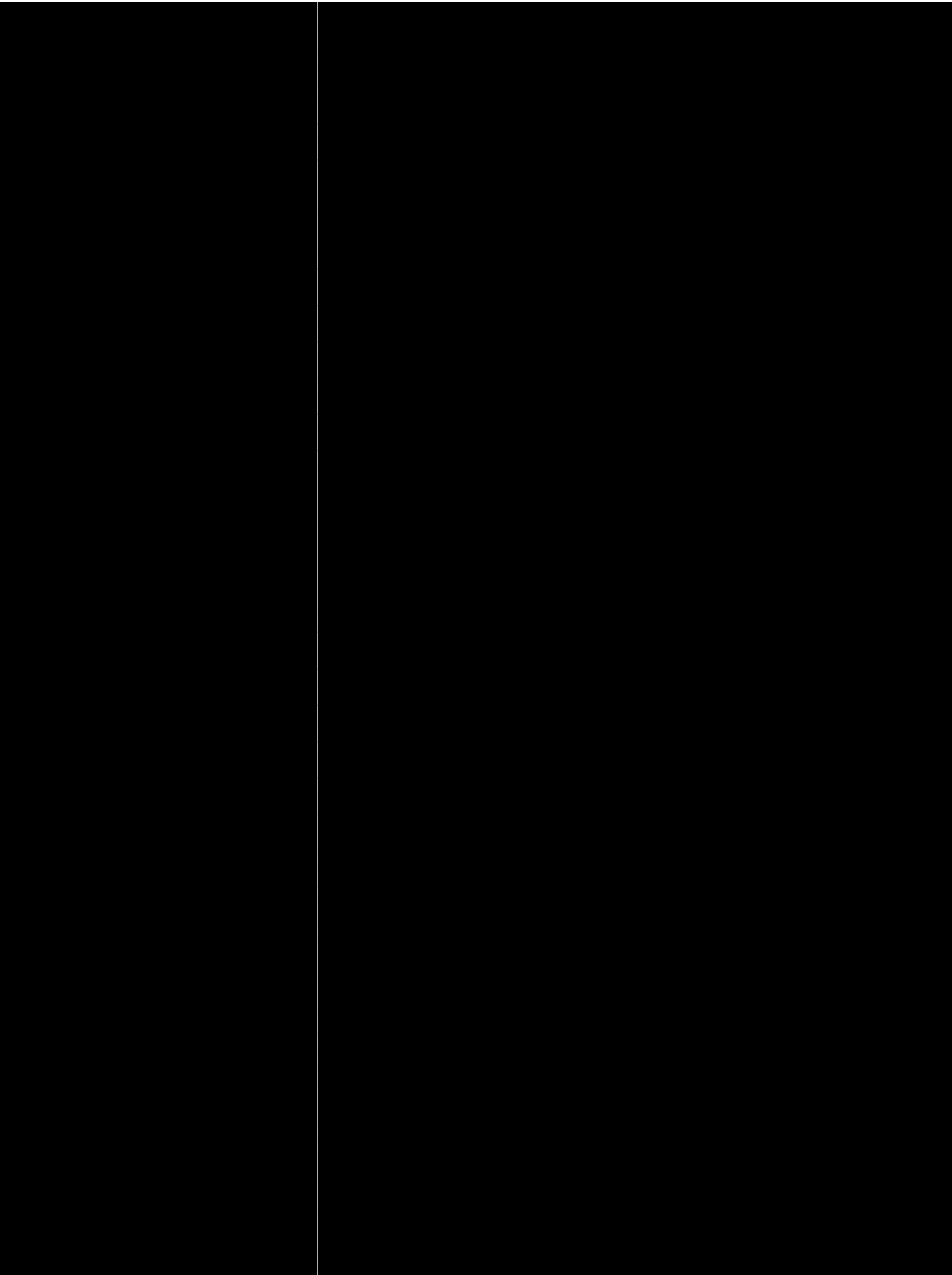
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**Attachment B**

**(In thousands)**

Identity of Issuer	Maturity and Interest Rates	Description	Current Value
[Redacted content]			





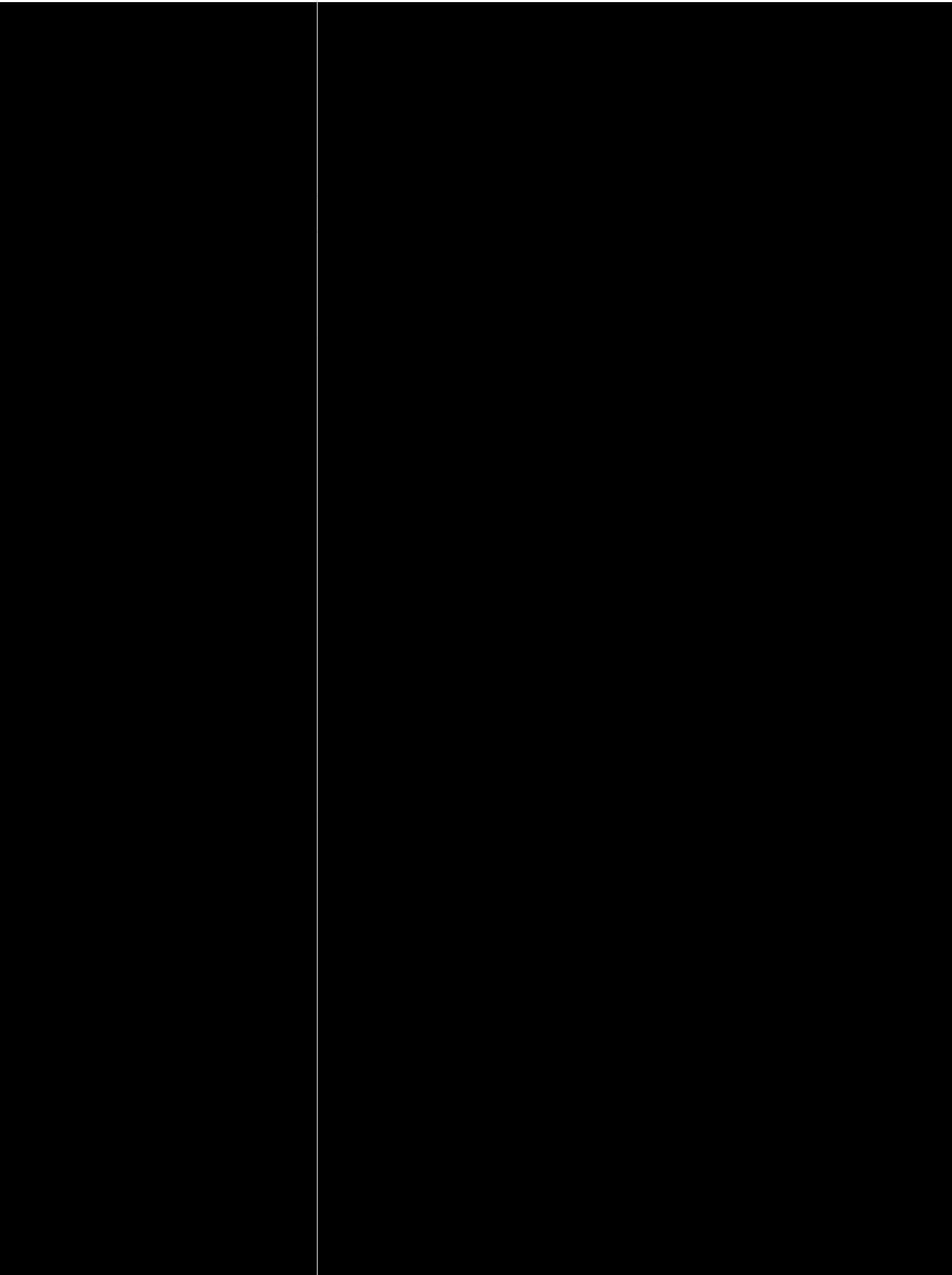


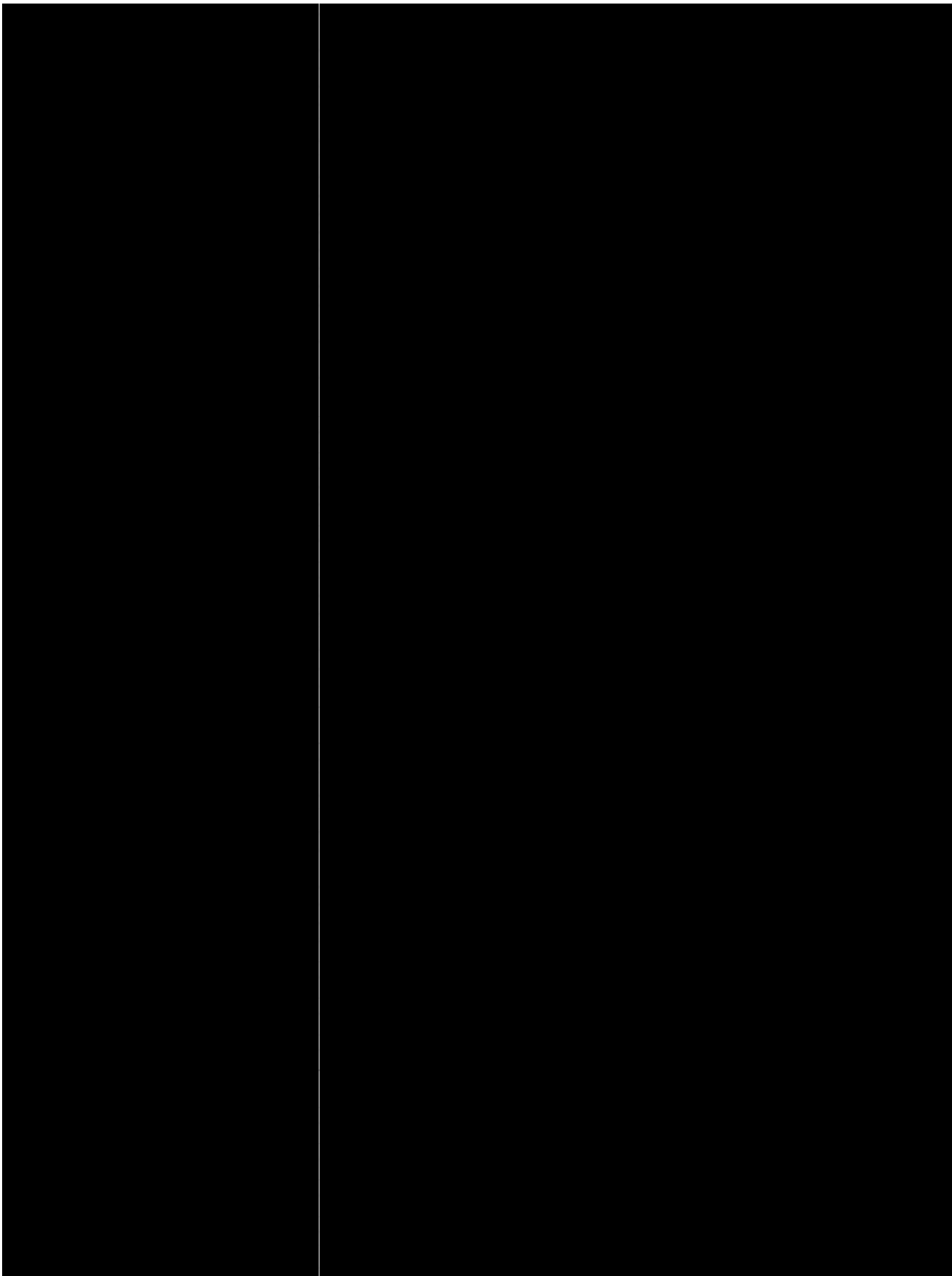
**Attachment B**

**(In thousands)**

Identity of Issuer	Maturity and Interest Rates	Description	Current Value
[Redacted content]			









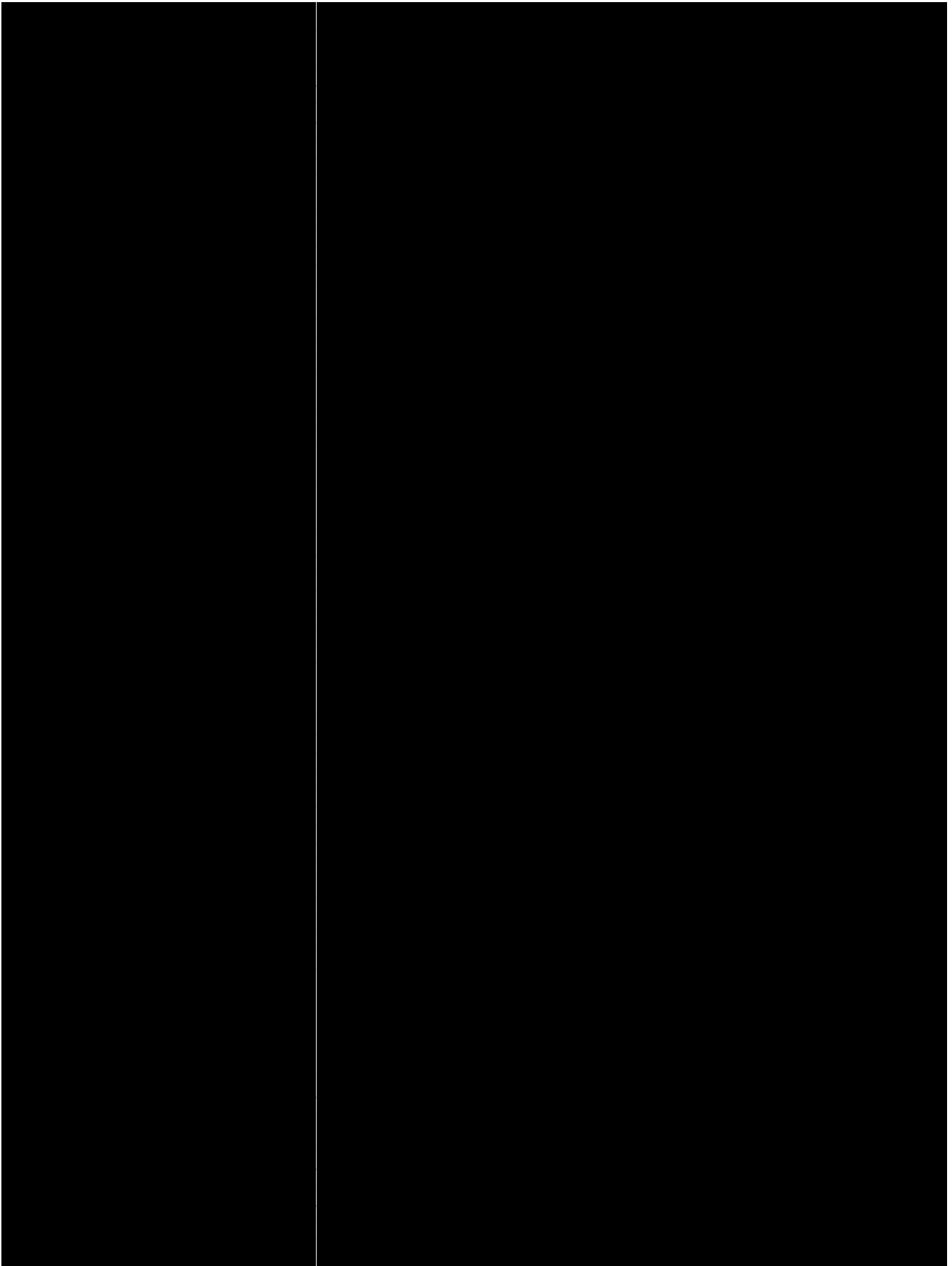
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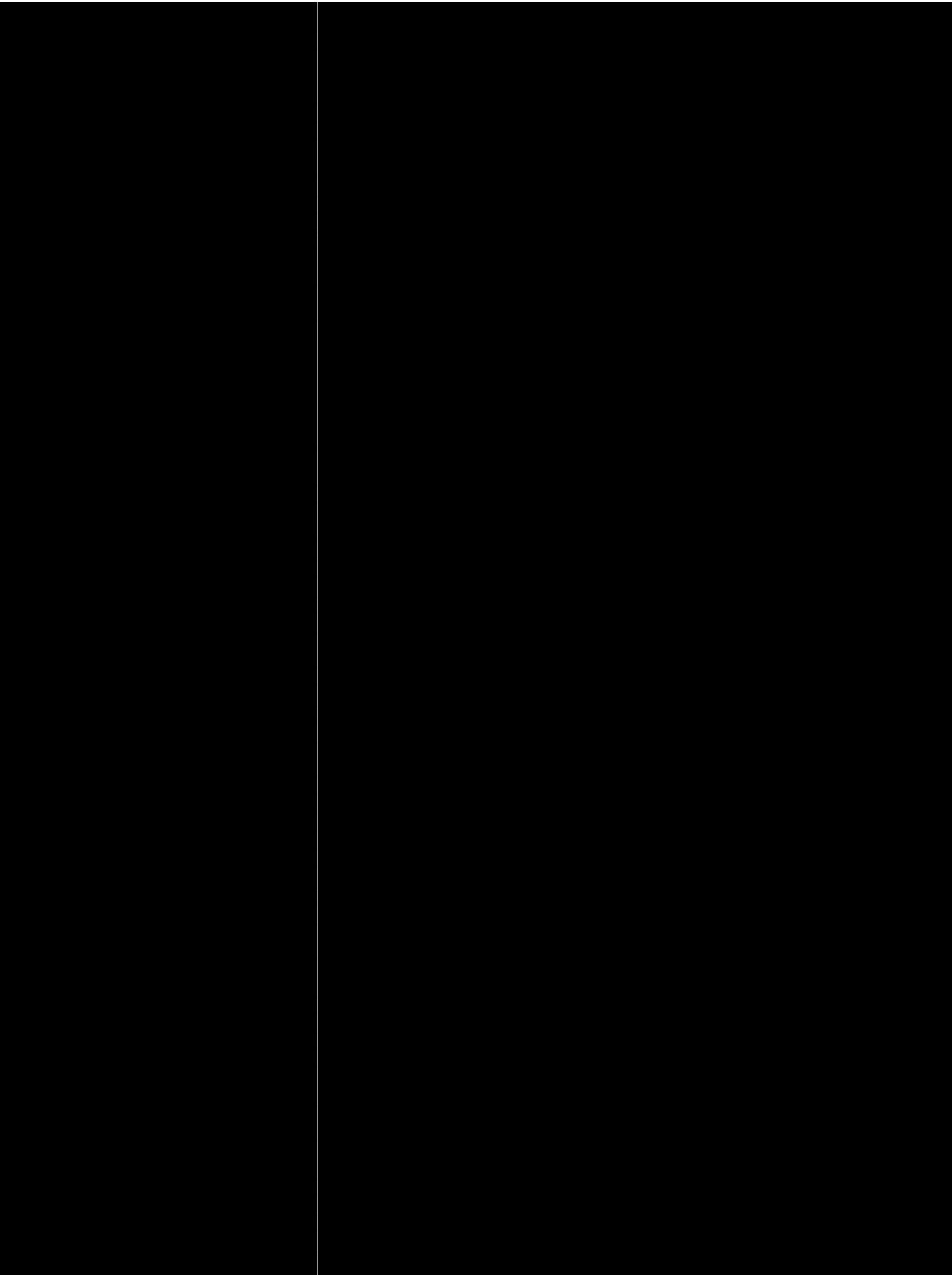
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**Attachment B**

**(In thousands)**

Identity of Issuer	Maturity and Interest Rates	Description	Current Value
[Redacted content]			







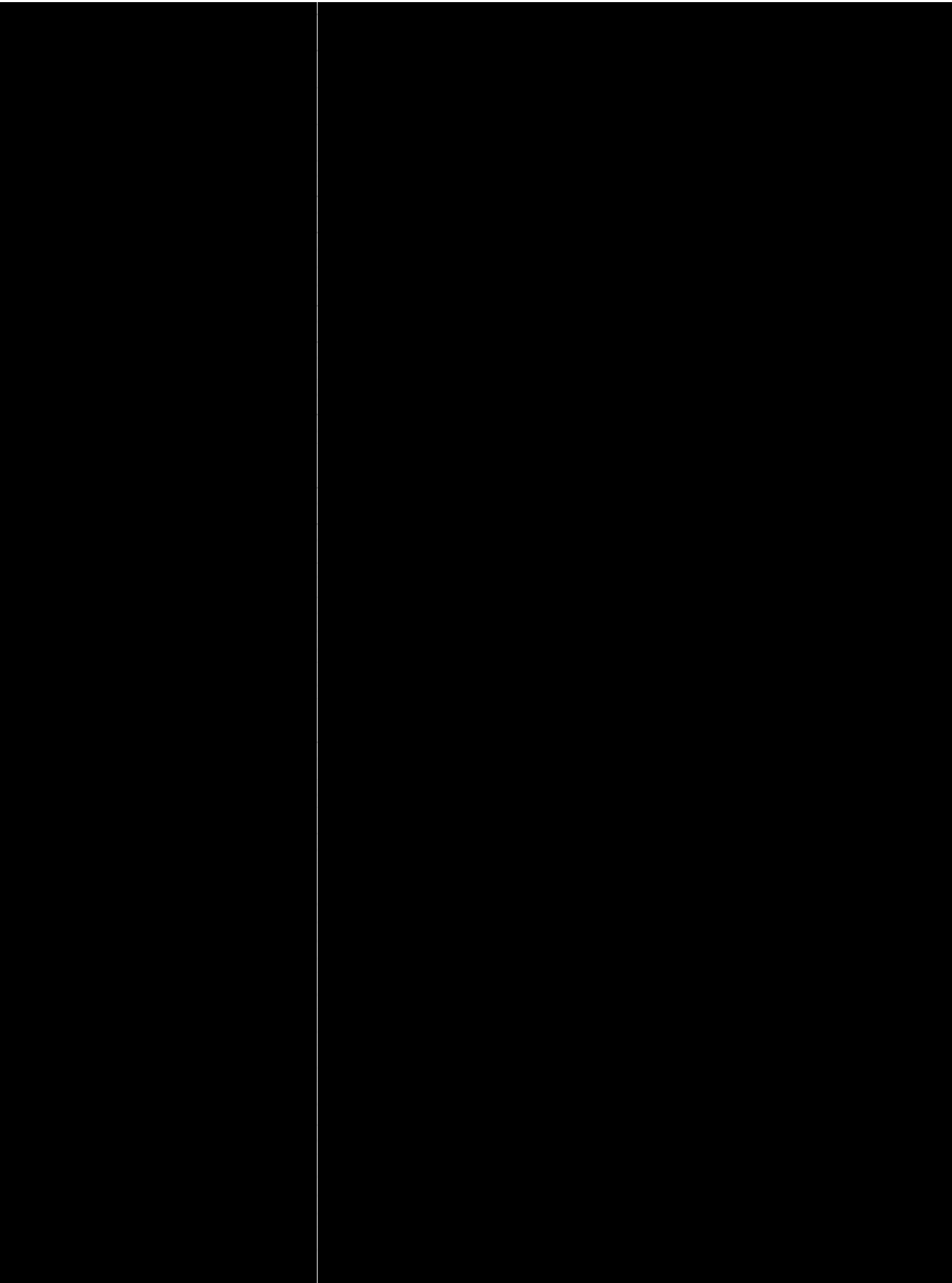
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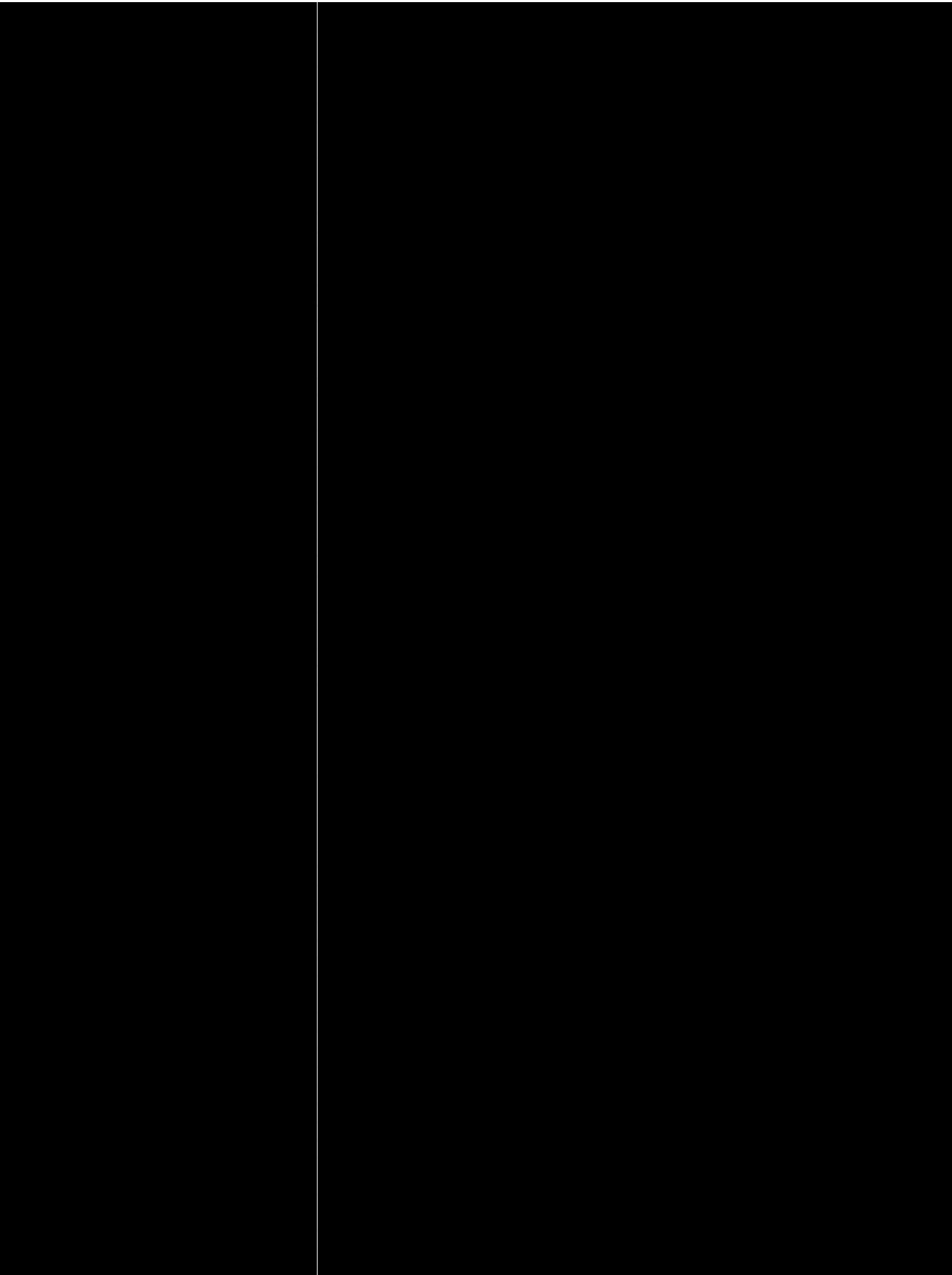
**Attachment B**

**(In thousands)**

Identity of Issuer	Maturity and Interest Rates	Description	Current Value
[Redacted content]			





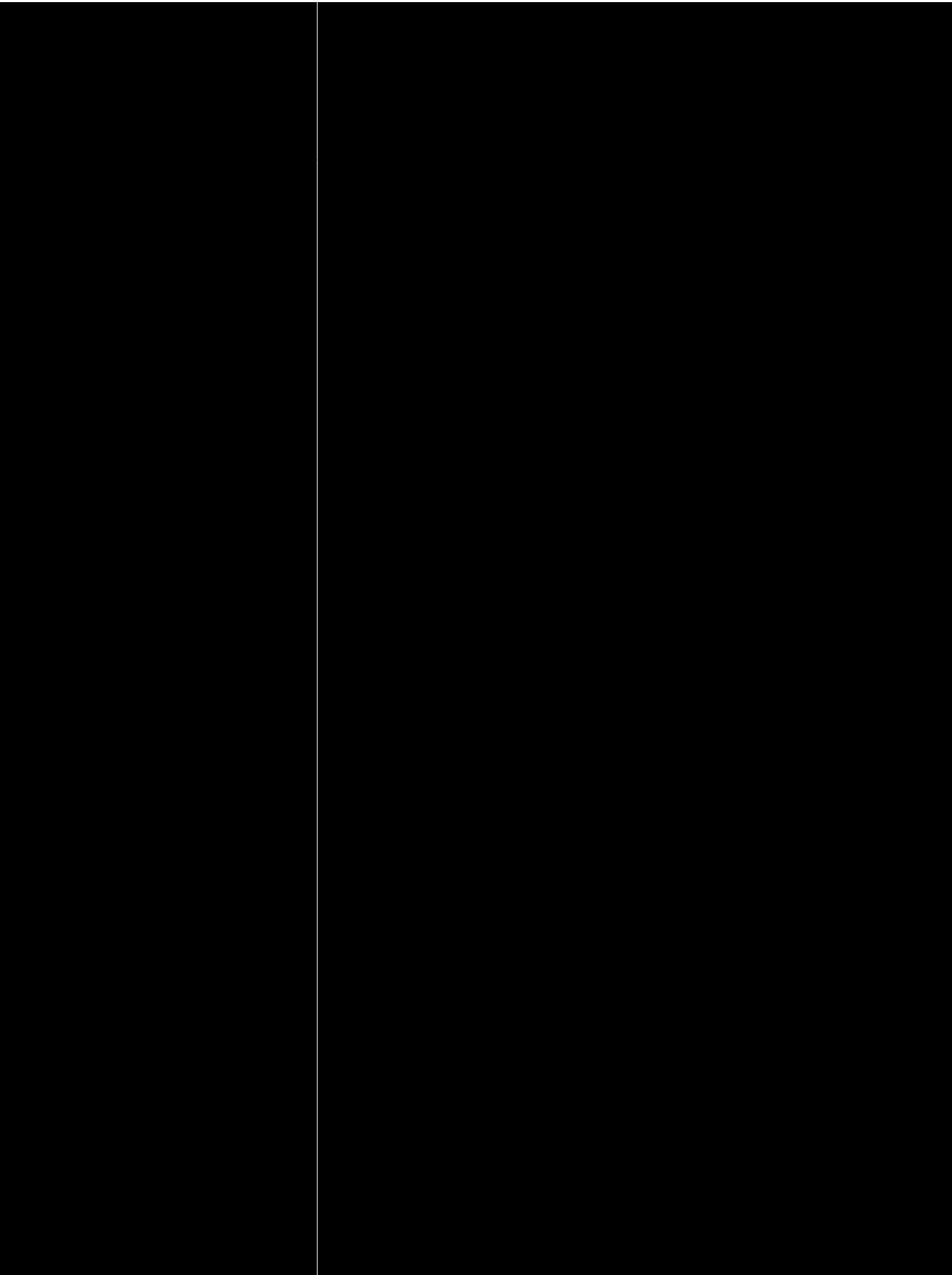


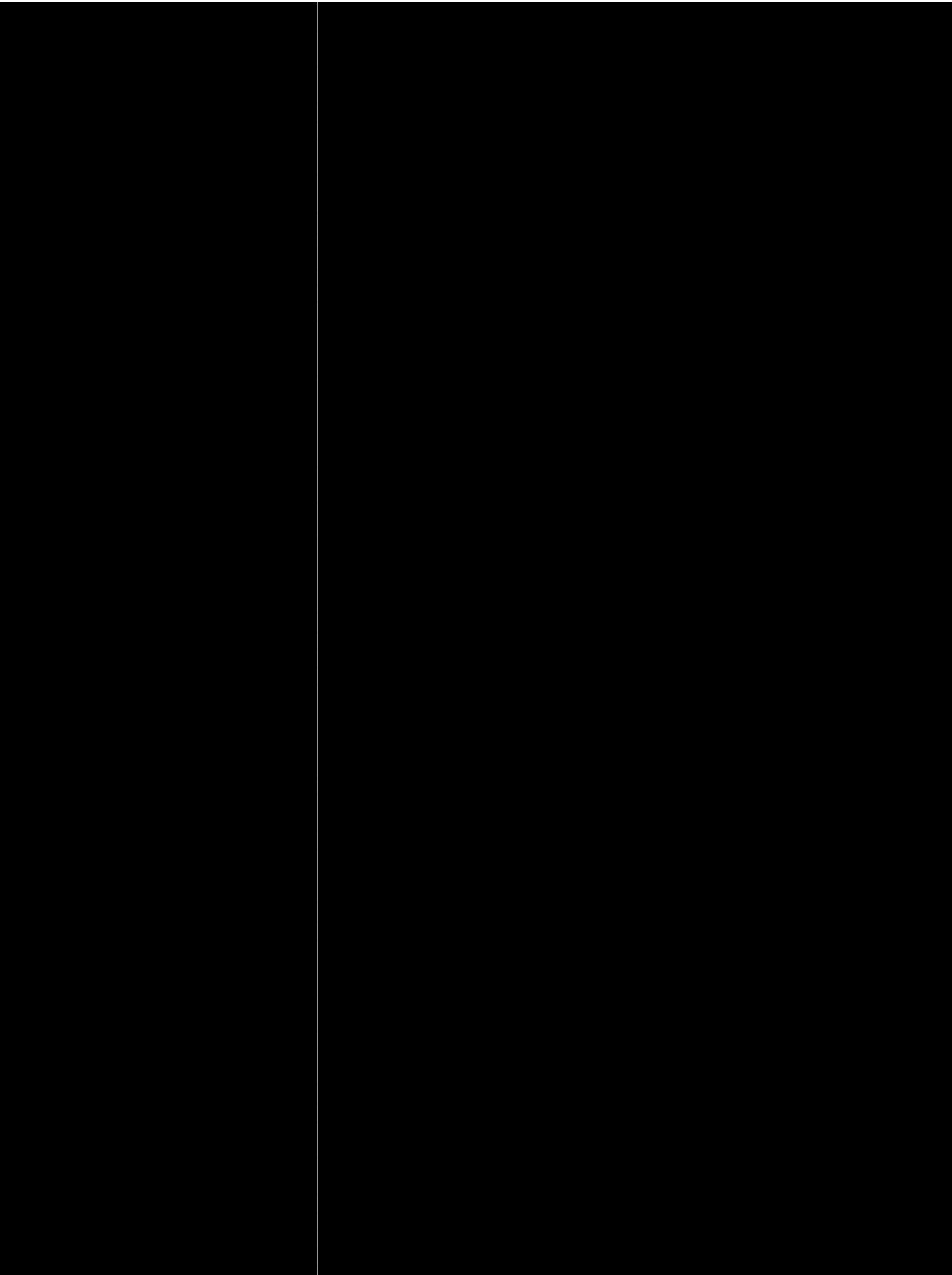


**Attachment B**

**(In thousands)**

Identity of Issuer	Maturity and Interest Rates	Description	Current Value
[Redacted content]			





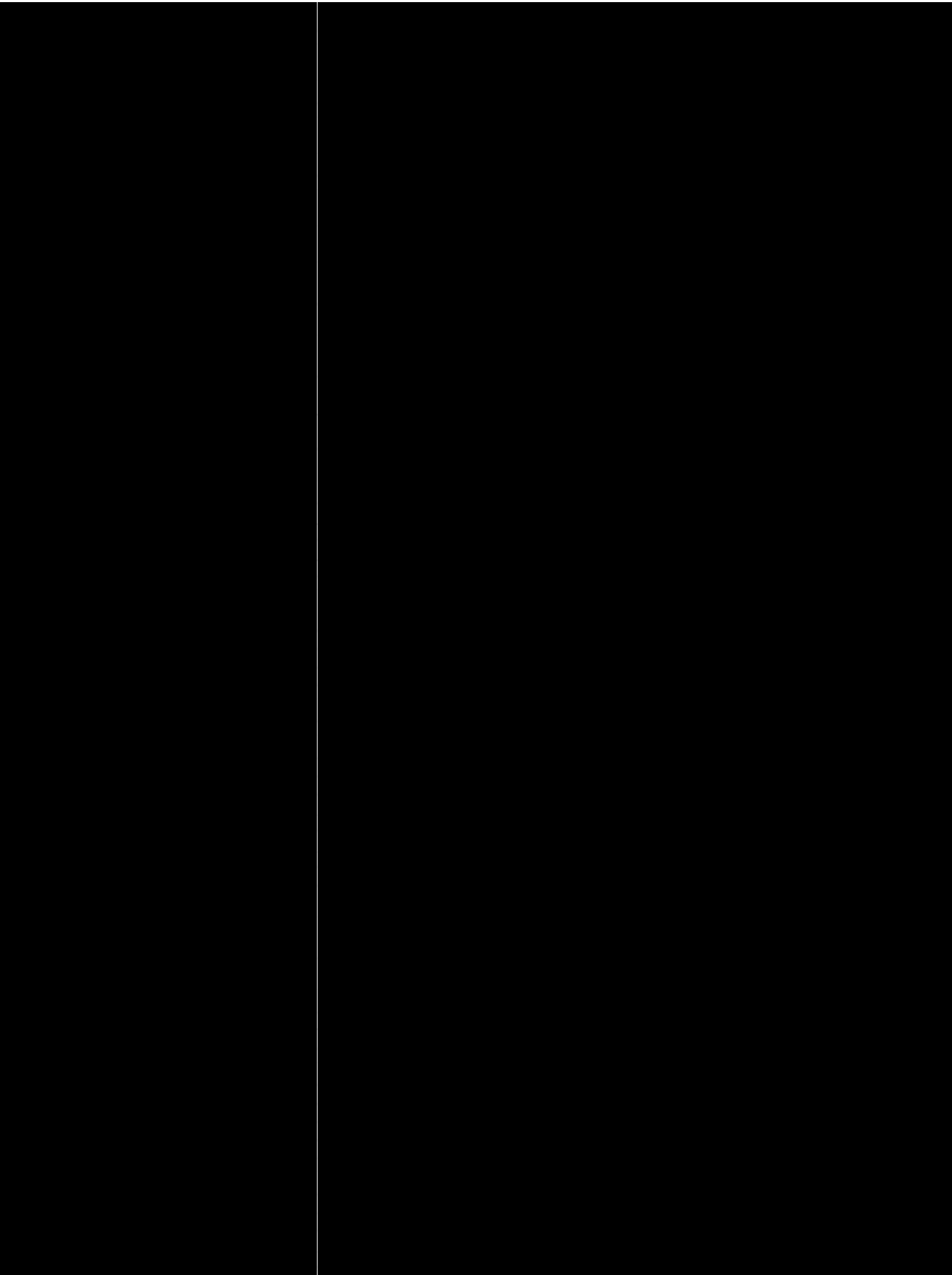


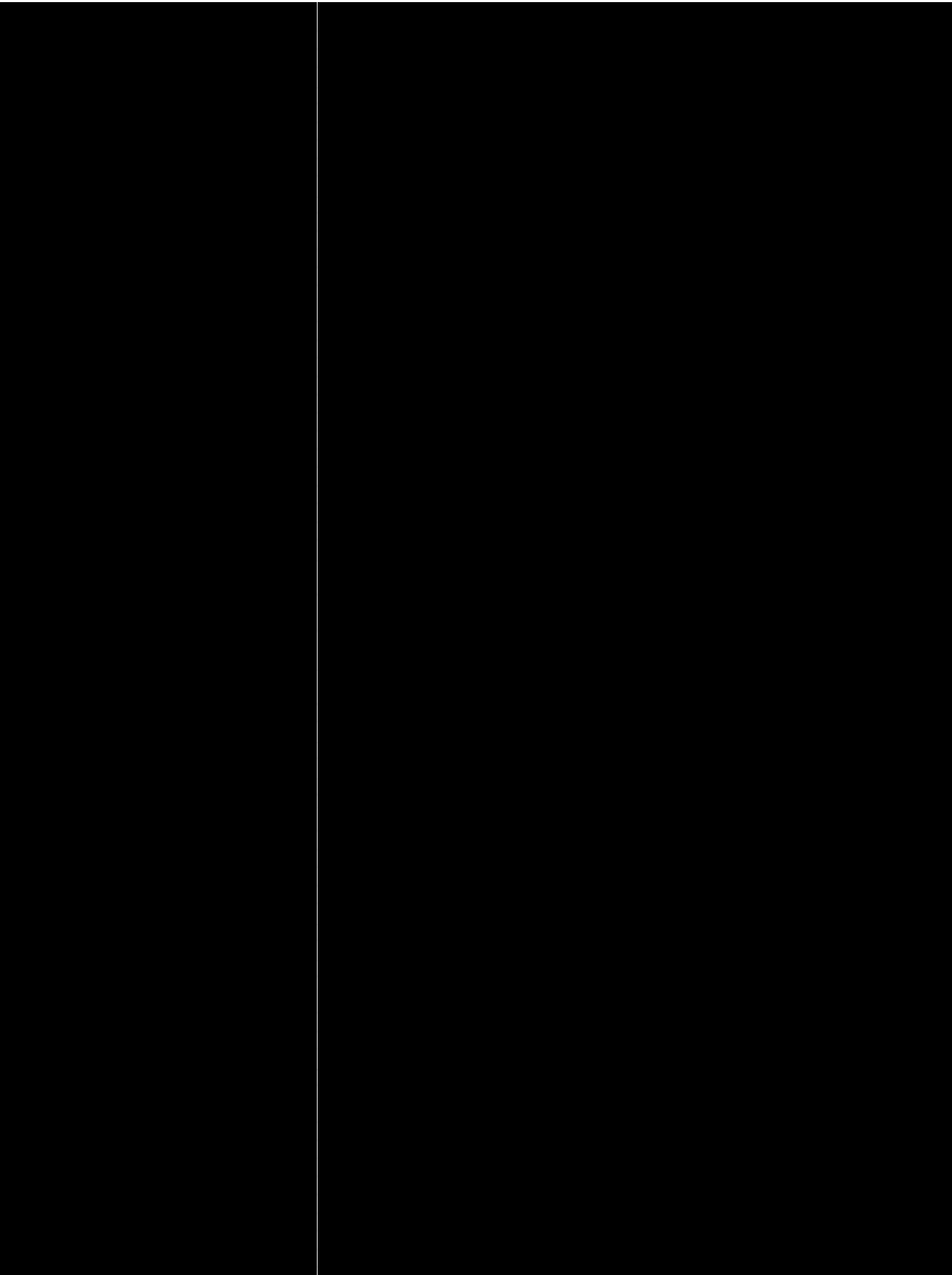
**Attachment B**

**(In thousands)**

Identity of Issuer	Maturity and Interest Rates	Description	Current Value
[Redacted content]			









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**Attachment B**

**(In thousands)**

Identity of Issuer	Maturity and Interest Rates	Description	Current Value
[Redacted content]			

