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## CBS Corporation Q1 2009 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) For our first question we go to Doug Mitchelson with Deutsche Bank.

#### Doug Mitchelson - Deutsche Bank

Just a question for Les, but also Fred, a clarification, when you said unusual items represented 22% of the drop in EBITDA did you mean 22% of last year's EBITDA or 22% of the change in EBITDA year-over-year?

#### Fred Reynolds

The change, if you look at the drop in income from the 642 last year to the 250 this year that percentage dropped, 22 points of that had to do with the items I listed on the comments.

#### Doug Mitchelson - Deutsche Bank

Okay. And then Les, just curious, is there going to be any impact from Hulu on the value of TV.com or your video distribution strategy especially now that ABC has jumped in.

#### Leslie Moonves

We have had a different strategy than some of our competitors. TV.com is doing extremely well. We like the ability to control our own content where and when it goes. We don't like the idea of being exclusive to Hulu. It's not so say that you won't one day see CBS content on Hulu or Hulu content on TV.com, but this gives us the freedom to place our content wherever we want as well as sell it, ourselves, along with our other verticals, and so far it is proving to be extremely successful. So we wish Hulu well. We think it will do well, but we think TV.com will do extremely well and we will be in control of our own destiny.

#### Operator

For our next question we go do Jessica Reif Cohen with Merrill Lynch.

#### Jessica Reif Cohen - Merrill Lynch

My first question is just on advertising. Can you talk a little bit more about the differences in the second quarter that you are seeing in local versus national? So in national what kind of cancellations

have you seen for Q3, and at the TV station level, the show is still really bad, but what percent is it of the station revenue now versus a year ago?

**Leslie Moonves**

I will take the first and throw the station question to Fred. On a national level all I can tell you, is the volume of scatter just increased dramatically. The rates are slightly above upfront, but the amount that is there is very encouraging over the last literally four to six weeks. So we are encouraged as we head into the upfront that the scatter market is returning. It is returning at good CPM values and we're very pleased by what we're getting.

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