UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2020

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ____________ to ____________

Commission File Number 001-09553

ViacomCBS Inc.
(Exact name of registrant as specified in its charter)

Delaware	**04-2949533**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1515 Broadway New York, New York	**10036**
(Address of principal executive offices)	(Zip Code)

(212) 258-6000
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbols	Name of each exchange on which registered
Class A Common Stock, $0.001 par value	VIACA	The Nasdaq Stock Market LLC
Class B Common Stock, $0.001 par value	VIAC	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Number of shares of common stock outstanding at August 3, 2020:

Class A Common Stock, par value $.001 per share— 52,266,444
Class B Common Stock, par value $.001 per share— 563,771,436

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

VIACOMCBS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited; in millions, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Revenues	$ 6,275	$ 7,143	$ 12,944	$ 14,243
Costs and expenses:				
Operating	3,485	4,210	7,550	8,458
Selling, general and administrative	1,222	1,371	2,563	2,684
Depreciation and amortization	124	109	237	215
Restructuring and other corporate matters	158	7	391	185
Total costs and expenses	4,989	5,697	10,741	11,542
Gain on sale of assets	—	—	—	549
Operating income	1,286	1,446	2,203	3,250
Interest expense	(263)	(237)	(504)	(477)
Interest income	11	15	25	34
Loss on extinguishment of debt	(103)	—	(103)	—
Other items, net	6	15	(27)	25
Earnings from continuing operations before income taxes and equity in loss of investee companies	937	1,239	1,594	2,832
(Provision) benefit for income taxes	(202)	(241)	(339)	135
Equity in loss of investee companies, net of tax	(12)	(21)	(21)	(39)
Net earnings from continuing operations	723	977	1,234	2,928
Net earnings from discontinued operations, net of tax	3	6	11	19
Net earnings (ViacomCBS and noncontrolling interests)	726	983	1,245	2,947
Net earnings attributable to noncontrolling interests	(245)	(6)	(248)	(11)
Net earnings attributable to ViacomCBS	$ 481	$ 977	$ 997	$ 2,936
Amounts attributable to ViacomCBS:				
Net earnings from continuing operations	$ 478	$ 971	$ 986	$ 2,917
Net earnings from discontinued operations, net of tax	3	6	11	19
Net earnings attributable to ViacomCBS	$ 481	$ 977	$ 997	$ 2,936
Basic net earnings per common share attributable to ViacomCBS:				
Net earnings from continuing operations	$ .78	$ 1.58	$ 1.60	$ 4.74
Net earnings from discontinued operations	$ —	$ .01	$ .02	$ .03
Net earnings	$ .78	$ 1.59	$ 1.62	$ 4.77
Diluted net earnings per common share attributable to ViacomCBS:				
Net earnings from continuing operations	$ .77	$ 1.57	$ 1.60	$ 4.73
Net earnings from discontinued operations	$ —	$ .01	$ .02	$ .03
Net earnings	$ .78	$ 1.58	$ 1.62	$ 4.76
Weighted average number of common shares outstanding:				
Basic	615	615	615	615
Diluted	617	617	617	617

See notes to consolidated financial statements.

VIACOMCBS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited; in millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	**2019**	**2020**	**2019**
Net earnings (ViacomCBS and noncontrolling interests)	$ 726	$ 983	$ 1,245	$ 2,947
Other comprehensive income (loss), net of tax:				
Cumulative translation adjustments	37	(8)	(67)	8
Net actuarial loss and prior service costs	18	15	35	29
Other comprehensive income (loss), net of tax (ViacomCBS and noncontrolling interests)	55	7	(32)	37
Comprehensive income	781	990	1,213	2,984
Less: Comprehensive income attributable to noncontrolling interests	245	5	245	13
Comprehensive income attributable to ViacomCBS	$ 536	$ 985	$ 968	$ 2,971

See notes to consolidated financial statements.

VIACOMCBS INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(Unaudited; in millions, except per share amounts)

	At June 30, 2020	At December 31, 2019
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 2,288	$ 632
Receivables, net	7,139	7,206
Programming and other inventory	1,837	2,876
Prepaid and other current assets	1,175	1,188
Total current assets	12,439	11,902
Property and equipment, net	1,995	2,085
Programming and other inventory	9,728	8,652
Goodwill	17,077	16,980
Intangible assets, net	2,948	2,993
Operating lease assets	1,841	1,939
Deferred income tax assets, net	919	939
Other assets	4,212	4,006
Assets held for sale	29	23
Total Assets	$ 51,188	$ 49,519
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 422	$ 667
Accrued expenses	1,553	1,760
Participants' share and royalties payable	2,090	1,977
Accrued programming and production costs	1,189	1,500
Deferred revenues	695	739
Debt	364	717
Other current liabilities	1,672	1,688
Total current liabilities	7,985	9,048
Long-term debt	19,704	18,002
Participants' share and royalties payable	1,485	1,546
Pension and postretirement benefit obligations	2,070	2,121
Deferred income tax liabilities, net	708	500
Operating lease liabilities	1,816	1,909
Program rights obligations	252	356
Other liabilities	2,344	2,494
Redeemable noncontrolling interest	274	254
Commitments and contingencies (Note 15)		
ViacomCBS stockholders' equity:		
Class A Common Stock, par value $.001 per share; 55 shares authorized; 52 (2020 and 2019) shares issued	—	—
Class B Common Stock, par value $.001 per share; 5,000 shares authorized; 1,066 (2020) and 1,064 (2019) shares issued	1	1
Additional paid-in capital	29,680	29,590
Treasury stock, at cost; 502 (2020) and 501 (2019) Class B shares	(22,958)	(22,908)
Retained earnings	9,150	8,494
Accumulated other comprehensive loss	(1,999)	(1,970)
Total ViacomCBS stockholders' equity	13,874	13,207
Noncontrolling interests	676	82
Total Equity	14,550	13,289
Total Liabilities and Equity	$ 51,188	$ 49,519

See notes to consolidated financial statements.

VIACOMCBS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited; in millions)

	Six Months Ended June 30,	
	2020	**2019**
Operating Activities:		
Net earnings (ViacomCBS and noncontrolling interests)	$ 1,245	$ 2,947
Less: Net earnings from discontinued operations, net of tax	11	19
Net earnings from continuing operations	1,234	2,928
Adjustments to reconcile net earnings from continuing operations to net cash flow provided by operating activities:		
Depreciation and amortization	237	215
Deferred tax provision (benefit)	224	(535)
Stock-based compensation	145	106
Gain on sale of assets	—	(549)
Gains from investments	(32)	(77)
Loss on extinguishment of debt	103	—
Equity in loss of investee companies, net of tax and distributions	22	41
Change in assets and liabilities	(782)	(940)
Net cash flow provided by operating activities	1,151	1,189
Investing Activities:		
Investments	(60)	(132)
Capital expenditures	(132)	(142)
Acquisitions, net of cash acquired	(141)	(361)
Proceeds from dispositions	146	751
Other investing activities	—	4
Net cash flow (used for) provided by investing activities	(187)	120
Financing Activities:		
Repayments of short-term debt borrowings, net	(698)	(674)
Proceeds from issuance of senior notes	4,370	493
Repayment of notes and debentures	(2,535)	(600)
Dividends	(301)	(299)
Purchase of Company common stock	(58)	(14)
Payment of payroll taxes in lieu of issuing shares for stock-based compensation	(59)	(52)
Other financing activities	(70)	(81)
Net cash flow provided by (used for) financing activities	649	(1,227)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(17)	2
Net increase in cash, cash equivalents and restricted cash	1,596	84
Cash, cash equivalents and restricted cash at beginning of period (includes $202 (2020) and $120 (2019) of restricted cash)	834	976
Cash, cash equivalents and restricted cash at end of period (includes $142 (2020) and $122 (2019) of restricted cash)	$ 2,430	$ 1,060

See notes to consolidated financial statements.

VIACOMCBS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited; in millions)

	Three Months Ended June 30, 2020								
	Class A and B Common Stock		Additional Paid-In Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total ViacomCBS Stockholders' Equity	Non-Controlling Interests	Total Equity
	(Shares)								
March 31, 2020	615	$ 1	$ 29,633	$ (22,958)	$ 8,827	$ (2,054)	$ 13,449	$ 72	$ 13,521
Stock-based compensation activity and other	1	—	47	—	—	—	47	—	47
Dividends	—	—	—	—	(150)	—	(150)	—	(150)
Noncontrolling interests	—	—	—	—	(8)	—	(8)	359 (a)	351
Net earnings	—	—	—	—	481	—	481	245	726
Other comprehensive income	—	—	—	—	—	55	55	—	55
June 30, 2020	616	$ 1	$ 29,680	$ (22,958)	$ 9,150	$ (1,999)	$ 13,874	$ 676	$ 14,550

	Six Months Ended June 30, 2020								
	Class A and B Common Stock		Additional Paid-In Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total ViacomCBS Stockholders' Equity	Non-Controlling Interests	Total Equity
	(Shares)								
December 31, 2019	615	$ 1	$ 29,590	$ (22,908)	$ 8,494	$ (1,970)	$ 13,207	$ 82	$ 13,289
Stock-based compensation activity and other	2	—	90	—	—	—	90	—	90
Class B Common Stock purchased	(1)	—	—	(50)	—	—	(50)	—	(50)
Dividends	—	—	—	—	(300)	—	(300)	—	(300)
Noncontrolling interests	—	—	—	—	(41)	—	(41)	349 (a)	308
Net earnings	—	—	—	—	997	—	997	248	1,245
Other comprehensive loss	—	—	—	—	—	(29)	(29)	(3)	(32)
June 30, 2020	616	$ 1	$ 29,680	$ (22,958)	$ 9,150	$ (1,999)	$ 13,874	$ 676	$ 14,550

(a) Primarily reflects the acquisition of Miramax. (See Note 2.)

See notes to consolidated financial statements.

VIACOMCBS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (Continued)
(Unaudited; in millions)

	Three Months Ended June 30, 2019								
	Class A and B Common Stock		Additional Paid-In Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total ViacomCBS Stockholders' Equity	Non-Controlling Interests	Total Equity
	(Shares)								
March 31, 2019	615	$ 1	$ 49,927	$ (43,412)	$ 7,594	$ (1,811)	$ 12,299	$ 49	$ 12,348
Stock-based compensation activity and other	—	—	27	13	—	—	40	—	40
Dividends	—	—	—	—	(149)	—	(149)	—	(149)
Noncontrolling interests	—	—	(10)	—	(4)	—	(14)	(11)	(25)
Net earnings	—	—	—	—	977	—	977	6	983
Other comprehensive income (loss)	—	—	—	—	—	8	8	(1)	7
June 30, 2019	615	$ 1	$ 49,944	$ (43,399)	$ 8,418	$ (1,803)	$ 13,161	$ 43	$ 13,204

	Six Months Ended June 30, 2019								
	Class A and B Common Stock		Additional Paid-In Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total ViacomCBS Stockholders' Equity	Non-Controlling Interests	Total Equity
	(Shares)								
December 31, 2018	613	$ 1	$ 49,907	$ (43,420)	$ 5,569	$ (1,608)	$ 10,449	$ 54	$ 10,503
Stock-based compensation activity and other	2	—	47	21	(4)	—	64	—	64
Dividends	—	—	—	—	(299)	—	(299)	—	(299)
Noncontrolling interests	—	—	(10)	—	(14)	—	(24)	(24)	(48)
Net earnings	—	—	—	—	2,936	—	2,936	11	2,947
Reclassification of income tax effect of the Tax Reform Act	—	—	—	—	230	(230)	—	—	—
Other comprehensive income	—	—	—	—	—	35	35	2	37
June 30, 2019	615	$ 1	$ 49,944	$ (43,399)	$ 8,418	$ (1,803)	$ 13,161	$ 43	$ 13,204

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Tabular dollars in millions, except per share amounts)

1) BASIS OF PRESENTATION

Description of Business-ViacomCBS Inc. is comprised of the following segments: *TV Entertainment* (CBS Television Network, CBS Television Studios, CBS Television Distribution, CBS Interactive, CBS Sports Network, CBS Television Stations and CBS-branded streaming services), *Cable Networks* (Showtime Networks, Nickelodeon, MTV, BET, Comedy Central, Paramount Network, Nick Jr., VH1, TV Land, CMT, Pop TV, Smithsonian Networks, ViacomCBS Networks International, Network 10, Channel 5, Telefe and Pluto TV), *Filmed Entertainment* (Paramount Pictures, Paramount Players, Paramount Animation, Paramount Television Studios and Miramax) and *Publishing* (Simon & Schuster). References to "ViacomCBS", the "Company", "we", "us" and "our" refer to ViacomCBS Inc. and its consolidated subsidiaries, unless the context otherwise requires.

Basis of Presentation-On December 4, 2019, Viacom Inc. ("Viacom") merged with and into CBS Corporation ("CBS"), with CBS continuing as the surviving company (the "Merger"). At the effective time of the Merger, the combined company changed its name to ViacomCBS Inc. ("ViacomCBS"). The Merger has been accounted for as a transaction between entities under common control as National Amusements, Inc. ("NAI") was the controlling stockholder of each of CBS and Viacom (and remains the controlling stockholder of ViacomCBS). Upon the closing of the Merger, the net assets of Viacom were combined with those of CBS at their historical carrying amounts and the companies have been presented on a combined basis for all periods presented.

The accompanying unaudited consolidated financial statements have been prepared on a basis consistent with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and pursuant to the rules of the Securities and Exchange Commission ("SEC"). These financial statements should be read in conjunction with the more detailed financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2019.

In the opinion of management, the accompanying unaudited consolidated financial statements reflect all adjustments, consisting only of normal and recurring adjustments, necessary for a fair statement of our financial position, results of operations and cash flows for the periods presented. Certain previously reported amounts have been reclassified to conform to the current presentation.

Use of Estimates-The preparation of our consolidated financial statements in conformity with GAAP requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may vary from these estimates under different assumptions or conditions.

The coronavirus disease ("COVID-19") pandemic has negatively impacted, and is expected to continue to impact, the macroeconomic environment in the United States and globally, as well our business, financial condition and results of operations. Due to the evolving and uncertain nature of COVID-19, it is reasonably possible that it could materially impact our estimates, particularly those that require consideration of forecasted financial information, in the near to medium term. These estimates relate to certain accounts including, but not limited to, receivables, programming and other inventory, deferred income tax assets, finite and indefinite lived intangible assets, including goodwill and FCC licenses, and other long-lived assets. The magnitude of the impact will depend on numerous evolving factors that we may not be able to accurately predict, including the duration and extent of the pandemic, the impact of federal, state, local and foreign governmental actions, consumer behavior in response to

the pandemic and such governmental actions, and the economic and operating conditions that we may face in the aftermath of COVID-19.
Net Earnings per Common Share-Basic net earnings per share ("EPS") is based upon net earnings divided by the weighted average number of common shares outstanding during the period. Diluted EPS reflects the effect of the assumed exercise of stock options and vesting of restricted stock units ("RSUs") or performance stock units ("PSUs") only in the periods in which such effect would have been dilutive. Excluded from the calculation of diluted EPS because their inclusion would have been anti-dilutive, were stock options and RSUs of 25 million and 26 million for the three and six months ended June 30, 2020, respectively, and 17 million and 20 million for the three and six months ended June 30, 2019, respectively.

The table below presents a reconciliation of weighted average shares used in the calculation of basic and diluted EPS.

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	**2020**	**2019**	**2020**	**2019**
Weighted average shares for basic EPS	615	615	615	615
Dilutive effect of shares issuable under stock-based compensation plans	2	2	2	2
Weighted average shares for diluted EPS	617	617	617	617

Recently Adopted Accounting Pronouncements

Improvements to Accounting for Costs of Films and License Agreements for Program Materials

On January 1, 2020, we adopted Financial Accounting Standards Board ("FASB") guidance on the accounting for costs of films and episodic television series, which aligns the accounting for capitalizing production costs of episodic television series with the guidance for films. As a result of the adoption of this guidance, the capitalization of costs incurred to produce episodic television series is no longer limited to the amount of revenue contracted in the initial market until persuasive evidence of a secondary market exists. In addition, under this guidance our film and television programming is tested for impairment individually on a title-by-title basis, or together with other films and television programming as part of a group, based on the predominant monetization strategy of the film or television programming. Further, for programming monetized in a film group, this guidance requires any changes to the estimated use of the film or television series to be accounted for prospectively. This guidance also eliminates existing balance sheet classification guidance and adds new disclosure requirements relating to costs for acquired and internally-produced programming. As a result of this guidance, beginning in the first quarter of 2020, all of our programming inventory, other than prepayments for the rights to air sporting and other live events, is now classified as noncurrent on the Consolidated Balance Sheet. Therefore, $1.17 billion of programming inventory that was classified in current assets at December 31, 2019 was reclassified to noncurrent assets on January 1, 2020. This guidance did not have a material impact on the Consolidated Statement of Operations. See Note 3 for additional disclosures relating to the adoption of this guidance.

Collaborative Arrangements: Clarifying the Interaction with the New Revenue Standard

On January 1, 2020, we adopted FASB guidance on the accounting for collaborative arrangements, which clarifies that certain transactions between parties to collaborative arrangements should be accounted for in accordance with FASB revenue guidance when the counterparty is a customer. The adoption of this guidance did not have a material impact on our consolidated financial statements.

Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract

On January 1, 2020, we adopted FASB guidance on the accounting for implementation costs of a cloud computing arrangement that is considered to be a service contract. This guidance requires companies to follow the guidance for capitalizing costs associated with internal-use software to determine which costs to capitalize in a cloud computing arrangement that is a service contract. Under this guidance, such implementation costs will be capitalized in "Other assets" on the Consolidated Balance Sheet, with the related amortization presented in "Selling, general and administrative expenses" on the Consolidated Statement of Operations. This guidance was applied prospectively to implementation costs incurred after January 1, 2020. The adoption of this guidance did not have a material impact on our consolidated financial statements.

Financial Instruments

On January 1, 2020, we adopted FASB guidance on the accounting for credit losses on financial instruments. Among other provisions, this guidance introduces a new impairment model for most financial assets and certain other instruments. The guidance applies primarily to our trade and other receivables, and requires the use of a forward-looking "expected loss" model instead of the "incurred loss" model that was used under previous FASB guidance for determining an allowance for credit losses. The adoption of this guidance did not have a material impact on our consolidated financial statements.

Accounting Pronouncements Not Yet Adopted

Reference Rate Reform

In March 2020, the FASB issued guidance providing optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions affected by the discontinuation of the London Interbank Offered Rate ("LIBOR") or by another reference rate expected to be discontinued. The guidance is effective for all entities as of March 12, 2020 through December 31, 2022. We are currently evaluating the impact of the changes in reference rates and the exemptions and exceptions in this guidance on our consolidated financial statements.

Simplifying the Accounting for Income Taxes

In December 2019, the FASB issued guidance on the accounting for income taxes that, among other provisions, eliminates certain exceptions to existing guidance related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. This guidance also requires an entity to reflect the effect of an enacted change in tax laws or rates in its effective income tax rate in the first interim period that includes the enactment date of the new legislation, aligning the timing of recognition of the effects from enacted tax law changes on the effective income tax rate with the effects on deferred income tax assets and liabilities. Under existing guidance, an entity recognizes the effects of the enacted tax law change on the effective income tax rate in the period that includes the effective date of the tax law. This guidance is effective for interim and annual periods beginning after December 15, 2020 with early adoption permitted. The adoption of this guidance is not expected to have a material impact on our consolidated financial statements.

(Tabular dollars in millions, except per share amounts)

Changes to the Disclosure Requirements for Defined Benefit Plans

In August 2018, the FASB issued amended guidance that eliminates, adds and clarifies certain disclosure requirements for defined benefit pension or other postretirement plans. The amendments affect annual disclosures only and are effective for our fiscal year ending on December 31, 2020. The amendments are required to be applied retrospectively. The adoption of this guidance is not expected to have a material impact on our consolidated financial statements.

2) ACQUISITION

On April 3, 2020, we acquired a 49% interest in Miramax, a global film and television studio, for $375 million, which included a cash payment at closing of approximately $150 million along with a commitment to invest $45 million annually over the next five years, or $225 million, to be used for new film and television productions and working capital. In conjunction with this acquisition, we entered into commercial agreements with Miramax under which we have exclusive, long-term distribution rights to Miramax's catalog, adding more than 700 titles to our existing library. We also have certain rights to co-produce, co-finance and/or distribute new film and television projects. The investment is accounted for as a consolidated variable interest entity ("VIE"). We are the primary beneficiary of the VIE due to our power to direct the distribution of Miramax's films and television series, which is considered the most significant activity of the VIE.

The following table summarizes our estimated allocation of the purchase price as of the acquisition date.

Assets		
Cash	$	32
Accounts receivable and other current assets		19
Programming inventory		536
Goodwill		99
Intangible assets		12
Other assets (noncurrent)		7
Assets acquired	$	705
Liabilities		
Accounts payable and accrued expenses	$	13
Participants' share and royalties payable (current)		16
Deferred revenues		10
Participants' share and royalties payable (noncurrent)		20
Debt		105
Other liabilities (noncurrent)		28
Liabilities assumed		192
Noncontrolling interests		363
Total purchase price	$	150

The goodwill, which is not deductible for tax purposes, reflects the expected Company-specific synergies arising from the acquisition and is included in the *Filmed Entertainment* segment. Intangible assets consist of a trade name with a useful life of 10 years.

The operating results of Miramax from the date of acquisition through June 30, 2020 were not material.

3) PROGRAMMING AND OTHER INVENTORY

We acquire rights to programming and produce programming to exhibit on our broadcast and cable networks, on our broadcast television stations, direct to consumers through our digital streaming services, and in theaters. We also produce programming for third parties. Programming inventory costs for both acquired and internally-produced content are recorded within the noncurrent portion of "Programming and other inventory" on the Consolidated Balance Sheet. Prepayments for the rights to air sporting and other live events that are expected to be expensed over the next 12 months are classified within the current portion of "Programming and other inventory" on the Consolidated Balance Sheet.

Internally-Produced Programming

Costs incurred to produce television programs and feature films (which include direct production costs, production overhead, acquisition costs and development costs) are capitalized when incurred. For television programs that are predominantly monetized as part of a film group, capitalized production costs are amortized based on an estimate of the timing of our usage of and benefit from such programming. For television programs and feature films that are predominantly monetized on an individual basis, we use an individual-film-forecast computation method to amortize capitalized production costs and to accrue estimated liabilities for participations and residuals over the applicable title's life cycle based upon the ratio of current period revenues to estimated remaining total gross revenues to be earned ("Ultimate Revenues") for each title.

Acquired Programming Rights

Our acquired programming rights are predominantly monetized in film groups together with certain internally-produced programming and other acquired programming rights. Costs incurred in acquiring program rights, including advances, are capitalized when the license period has begun and the program is accepted and available for airing. These costs are amortized over the shorter of the license period or the period in which an economic benefit is expected to be derived based on the timing of our usage of and benefit from such programming.

We test a film group or individual television program or feature film for impairment when events or circumstances indicate that its fair value may be less than its unamortized cost. An impairment charge will then be recorded for any difference between the carrying value and estimated fair value of the film group or individual television program or feature film. In addition, unamortized costs for internally-produced or acquired programming that have been substantively abandoned are written off.

(Tabular dollars in millions, except per share amounts)

The following tables present our programming and other inventory by type at June 30, 2020 and December 31, 2019. Programming inventory at June 30, 2020 has been grouped according to the predominant monetization strategy in accordance with new FASB guidance adopted in the first quarter of 2020 (see Note 1).

	At June 30, 2020
Film Group Monetization:	
Acquired television program rights, including prepaid sports rights	$ 3,345
Internally produced television programming:	
Released	3,104
In process and other	832
Individual Monetization:	
Acquired libraries	501
Film inventory:	
Released	429
Completed, not yet released	81
In process and other	1,258
Internally produced television programming:	
Released	1,202
In process and other	718
Home entertainment and Publishing, primarily finished goods	95
Total programming and other inventory	11,565
Less current portion	1,837
Total noncurrent programming and other inventory	$ 9,728

	At December 31, 2019
Acquired television program rights, including prepaid sports rights	$ 3,477
Acquired libraries	99
Internally produced television programming:	
Released	3,627
In process and other	2,626
Film inventory:	
Released	502
Completed, not yet released	55
In process and other	1,037
Home entertainment and Publishing, primarily finished goods	105
Total programming and other inventory	11,528
Less current portion	2,876
Total noncurrent programming and other inventory	$ 8,652

(Tabular dollars in millions, except per share amounts)

The following table presents amortization of programming and production costs, which are included within “Operating expenses” in the Consolidated Statements of Operations.

	Three Months Ended	Six Months Ended
	June 30, 2020	June 30, 2020
Programming costs, acquired programming	$ 713	$ 1,686
Production costs, internally produced television and film programming:		
Individual monetization	$ 753	$ 1,523
Film group monetization	$ 731	$ 1,420

Included in the table above for the three and six months ended June 30, 2020, are programming charges of $121 million primarily related to the abandonment of certain incomplete programs resulting from COVID-19 related production shutdowns. The programming charges are included within “Operating expenses” in the Consolidated Statement of Operations with $66 million, $50 million and $5 million included within the *TV Entertainment, Cable Networks* and *Filmed Entertainment* segments, respectively.

4) RESTRUCTURING, IMPAIRMENT AND OTHER CORPORATE MATTERS

During the three and six months ended June 30, 2020 and 2019, we recorded the following on the Consolidated Statements of Operations:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Severance	$ 128	$ —	$ 304	$ 98
Exit costs	6	—	32	30
Restructuring charges	134	—	336	128
Merger-related costs	10	—	41	—
Other corporate matters	14	7	14	57
Restructuring and other corporate matters	$ 158	$ 7	$ 391	$ 185
Impairment charges	$ 25	$ —	$ 25	$ —
Depreciation of abandoned technology	$ —	$ —	$ 12	$ —

Restructuring Charges

During the three and six months ended June 30, 2020, we recorded restructuring charges of $134 million and $336 million, respectively, associated with cost-transformation initiatives in connection with the Merger in an effort to reduce redundancies across our businesses. These charges primarily include severance costs and the acceleration of stock-based compensation. During the six months ended June 30, 2019, we recorded restructuring charges of $128 million primarily for severance costs associated with a restructuring plan initiated in the first quarter of 2019 under which severance payments were provided to certain eligible employees who voluntarily elected to participate. Restructuring charges for the three and six months ended June 30, 2020 and the six months ended June 30, 2019 also included exit costs resulting from the termination of contractual obligations.

(Tabular dollars in millions, except per share amounts)

The following table presents a rollforward of our restructuring liability, which is recorded in “Other current liabilities” and “Other liabilities” on the Consolidated Balance Sheets. The remaining restructuring liability at June 30, 2020, which primarily relates to severance payments, is expected to be substantially paid by the end of 2021.

	Balance at December 31, 2019	2020 Activity			Balance at June 30, 2020
		Charges [(a)]	Payments	Other	
TV Entertainment	$ 99	$ 75	$ (41)	$ —	$ 133
Cable Networks	137	135	(85)	(6)	181
Filmed Entertainment	17	11	(5)	2	25
Publishing	4	2	(2)	(1)	3
Corporate	143	67	(80)	(9)	121
Total	$ 400	$ 290	$ (213)	$ (14)	$ 463

(a) Excludes stock-based compensation expense of $46 million.

Merger-related Costs and Other Corporate Matters

During the three and six months ended June 30, 2020, in addition to the above-mentioned restructuring charges, we incurred merger-related costs of $10 million and $41 million, respectively, consisting of transaction-related bonuses and professional fees mainly associated with integration activities. In addition, we recorded a charge of $14 million to write down property and equipment that has been classified as held for sale to its fair value less costs to sell at June 30, 2020. During the three and six months ended June 30, 2019, we incurred costs of $7 million and $57 million, respectively, consisting of costs associated with legal proceedings involving the Company and for the six-month period, the settlement of a commercial dispute.

Impairment Charges

We perform a fair value-based impairment test of goodwill and intangible assets with indefinite lives, comprised primarily of television FCC licenses, on an annual basis, and also between annual tests if an event occurs or if circumstances change that would more likely than not reduce the fair value of a reporting unit or an indefinite-lived intangible asset below its carrying value. During the second quarter of 2020, we assessed the relevant factors that could impact the fair value of our reporting units and indefinite-lived intangible assets, including the effects of COVID-19, and determined that an interim impairment test was necessary for three markets in which we hold FCC licenses. The impairment test indicated that the estimated fair values of FCC licenses in two markets were lower than their respective carrying values, which resulted from recent declines in industry projections in the markets where these FCC licenses are held, that were further accelerated by COVID-19. Accordingly, during the three and six months ended June 30, 2020, we recorded an impairment charge of $25 million to write down the carrying values of these FCC licenses to their aggregate estimated fair value of $216 million. This charge is included within “Depreciation and amortization” in the Consolidated Statement of Operations and was recorded within the *TV Entertainment* segment. Additionally, the estimated fair value of the FCC license in the third market exceeded its carrying value of $53 million at June 30, 2020 by 7%.

The impairment tests were performed using the Greenfield Discounted Cash Flow Method, which estimates the fair value of FCC licenses by valuing a hypothetical start-up station using industry projections in the relevant market and assuming the station builds up to average market share over a five-year period. Discounted cash flows for this period are added to a residual value, which is calculated using a long-term growth rate based on projected long-range inflation and industry projections. The estimated fair values of FCC licenses are highly dependent on the assumptions of future economic conditions in the individual geographic markets in which we own and operate television stations. A decline in revenue projections, or an increase in the cost of capital, could result in a downward revision to the fair values of our FCC licenses.

(Tabular dollars in millions, except per share amounts)

Accelerated Depreciation

Also, during the six months ended June 30, 2020, we recorded accelerated depreciation expense of $12 million resulting from the abandonment of technology in connection with synergy plans related to the Merger, which is recorded in "Depreciation and amortization" in the Consolidated Statement of Operations.

5) RELATED PARTIES

National Amusements, Inc. NAI is the controlling stockholder of ViacomCBS. Sumner M. Redstone is the controlling stockholder, Chairman of the Board of Directors and Chief Executive Officer of NAI. Shari E. Redstone, Mr. Redstone's daughter, is the President and a director of NAI and the non-executive Chair of our Board of Directors. At June 30, 2020, NAI directly or indirectly owned approximately 79.4% of our voting Class A Common Stock and 10.2% of our Class A Common Stock and non-voting Class B Common Stock on a combined basis. NAI is controlled by Mr. Redstone through the Sumner M. Redstone National Amusements Trust (the "SMR Trust"), which owns 80% of the voting interest of NAI, and such voting interest of NAI held by the SMR Trust is voted solely by Mr. Redstone until his incapacity or death. The SMR Trust provides that in the event of Mr. Redstone's death or incapacity, voting control of the NAI voting interest held by the SMR Trust will pass to seven trustees, who will include Ms. Redstone. No member of our management is a trustee of the SMR Trust.

Other Related Parties. In the ordinary course of business, we are involved in transactions with our equity-method investees, primarily for the licensing of television and film programming. The following tables present the amounts recorded in our consolidated financial statements related to these transactions.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Revenues	$ 24	$ 54	$ 76	$ 109
Operating expenses	$ 3	$ 3	$ 5	$ 4

	At June 30, 2020	At December 31, 2019
Amounts due to/from other related parties		
Accounts receivable	$ 33	$ 45
Accounts payable	$ 2	$ 3

Through the normal course of business, we are involved in transactions with other related parties that have not been material in any of the periods presented.

(Tabular dollars in millions, except per share amounts)

6) REVENUES

The following table presents our revenues disaggregated into categories based on the nature of such revenues.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	**2019**	**2020**	**2019**
Revenues by Type:				
Advertising	$ 1,934	$ 2,645	$ 4,418	$ 5,711
Affiliate	2,194	2,155	4,391	4,320
Content licensing	1,902	1,909	3,496	3,374
Theatrical	3	152	170	324
Publishing	200	218	370	382
Other	42	64	99	132
Total Revenues	$ 6,275	$ 7,143	$ 12,944	$ 14,243

Receivables

Reserves for accounts receivable reflect our expected credit losses based on historical experience as well as current and expected economic conditions. Our allowance for credit losses was $88 million and $86 million at June 30, 2020 and December 31, 2019, respectively.

Included in "Other assets" on the Consolidated Balance Sheets are noncurrent receivables of $2.33 billion and $2.15 billion at June 30, 2020 and December 31, 2019, respectively. Noncurrent receivables primarily relate to revenues recognized under long-term television licensing arrangements. Television license fee revenues are recognized at the beginning of the license period in which programs are made available to the licensee for exhibition, while the related cash is collected over the term of the license period. The year of origination for these receivables at June 30, 2020 was $889 million in 2020, $855 million in 2019, $413 million in 2018, $138 million in 2017, $18 million in 2016 and $19 million prior to 2016.

Contract Liabilities

Contract liabilities are included within "Deferred revenues" and "Other liabilities" on the Consolidated Balance Sheets and were $885 million and $910 million at June 30, 2020 and December 31, 2019, respectively. The change in contract liabilities for the six months ended June 30, 2020 primarily reflects $407 million of revenues recognized that were included in deferred revenues at December 31, 2019 offset by cash payments received during the period for which the performance obligation was not satisfied prior to the end of the period. For the six months ended June 30, 2019, we recognized revenues of $411 million that were included in deferred revenues at December 31, 2018.

Unrecognized Revenues Under Contract

As of June 30, 2020, unrecognized revenues attributable to unsatisfied performance obligations under our long-term contracts was $6.79 billion, of which $1.95 billion is expected to be recognized for the remainder of 2020, $2.55 billion in 2021, $1.63 billion in 2022, and $661 million thereafter. These amounts only include contracts subject to a guaranteed fixed amount or the guaranteed minimum under variable contracts, primarily consisting of television and film licensing contracts and affiliate agreements that are subject to a fixed or guaranteed minimum fee. Such amounts change on a regular basis as we renew existing agreements or enter into new agreements. Unrecognized revenues under contract disclosed above do not include (i) contracts with an original expected term of one year or less, mainly consisting of advertising contracts (ii) contracts for which variable consideration is determined based on the customer’s subsequent sale or usage, mainly consisting of affiliate agreements and (iii) long-term licensing agreements for multiple programs for which our right to invoice corresponds with the value of the programs provided to the customer.

Performance Obligations Satisfied in Previous Periods

Under certain licensing arrangements, the amount and timing of our revenue recognition is determined based on our licensees’ subsequent sale to its end customers. As a result, under such arrangements, which primarily include licensing of our content to distributors of transactional video-on-demand and electronic sell-through services, we often satisfy our performance obligation of delivery of our content in advance of revenue recognition. During the three and six months ended June 30, 2020, we recognized revenues of $119 million and $141 million, respectively, in our *Filmed Entertainment* segment for performance obligations satisfied, or partially satisfied, in a prior period. During the three and six months ended June 30, 2019, we recognized revenues of $65 million and $155 million, respectively, in our *Filmed Entertainment* segment for performance obligations satisfied, or partially satisfied, in a prior period.

(Tabular dollars in millions, except per share amounts)

7) DEBT

Our debt consists of the following:

	At June 30, 2020	At December 31, 2019
Commercial paper	$ —	$ 699
4.30% Senior Notes due 2021	—	300
4.50% Senior Notes due 2021	—	499
3.875% Senior Notes due 2021	339	597
2.250% Senior Notes due 2022	35	49
3.375% Senior Notes due 2022	415	698
3.125% Senior Notes due 2022	117	194
2.50% Senior Notes due 2023	196	398
3.25% Senior Notes due 2023	141	181
2.90% Senior Notes due 2023	242	396
4.25% Senior Notes due 2023	836	1,242
7.875% Debentures due 2023	139	187
7.125% Senior Notes due 2023	35	46
3.875% Senior Notes due 2024	490	489
3.70% Senior Notes due 2024	598	598
3.50% Senior Notes due 2025	593	592
4.75% Senior Notes due 2025	1,238	—
4.00% Senior Notes due 2026	790	789
3.45% Senior Notes due 2026	123	123
2.90% Senior Notes due 2027	689	688
3.375% Senior Notes due 2028	494	494
3.70% Senior Notes due 2028	491	491
4.20% Senior Notes due 2029	493	493
7.875% Senior Debentures due 2030	831	831
4.95% Senior Notes due 2031	1,218	—
4.20% Senior Notes due 2032	968	—
5.50% Senior Debentures due 2033	426	426
4.85% Senior Debentures due 2034	87	87
6.875% Senior Debentures due 2036	1,069	1,068
6.75% Senior Debentures due 2037	75	75
5.90% Senior Notes due 2040	298	297
4.50% Senior Debentures due 2042	45	45
4.85% Senior Notes due 2042	487	486
4.375% Senior Debentures due 2043	1,112	1,109
4.875% Senior Debentures due 2043	18	18
5.850% Senior Debentures due 2043	1,231	1,231
5.25% Senior Debentures due 2044	345	345
4.90% Senior Notes due 2044	539	539
4.60% Senior Notes due 2045	589	589
4.95% Senior Notes due 2050	941	—
5.875% Junior Subordinated Debentures due 2057	514	643
6.25% Junior Subordinated Debentures due 2057	643	643
Other bank borrowings	101	—
Obligations under finance leases	37	44
Total debt [(a)]	20,068	18,719
Less commercial paper and other short-term borrowings	6	699
Less current portion of long-term debt	358	18
Total long-term debt, net of current portion	$ 19,704	$ 18,002

(a) At June 30, 2020 and December 31, 2019, the long-term debt balances included (i) a net unamortized discount of $503 million and $412 million, respectively, (ii) unamortized deferred financing costs of $112 million and $92 million, respectively, and (iii) a decrease in the carrying value of the debt relating to previously settled fair value hedges of $5 million and $6 million, respectively. The face value of our total debt was $20.69 billion and $19.23 billion at June 30, 2020 and December 31, 2019, respectively.

During the second quarter of 2020, we issued $4.50 billion of senior notes with interest rates ranging from 4.20% to 4.95% and due dates from 2025 to 2050. The net proceeds from these issuances are being used for the redemption of our long-term debt as well as for general corporate purposes. During the second quarter of 2020, we redeemed senior notes, debentures, and junior subordinated debentures of $2.43 billion, prior to maturity, for a redemption price of $2.52 billion. As a result, we recognized a pre-tax loss on extinguishment of debt of $103 million, net of $15 million of unamortized debt issuance costs and fees. On July 10, 2020, we fully redeemed the remaining $340 million of our outstanding 3.875% senior notes due December 2021.

Our 5.875% junior subordinated debentures due February 2057 and 6.25% junior subordinated debentures due February 2057 accrue interest at the stated fixed rates until February 28, 2022 and February 28, 2027, respectively, on which dates the rates will switch to floating rates based on three-month LIBOR plus 3.895% and 3.899%, respectively, reset quarterly. These debentures can be called by us at any time after the expiration of the fixed-rate period.

Commercial Paper

In January 2020, our commercial paper program was increased to $3.50 billion from $2.50 billion in conjunction with the new $3.50 billion revolving credit facility described below. At June 30, 2020, we had no outstanding commercial paper borrowings under our commercial paper program. At December 31, 2019, we had $699 million of outstanding commercial paper borrowings with maturities of less than 90 days and a weighted average interest rate of 2.07%.

Credit Facility

In January 2020, the $2.50 billion revolving credit facility held by CBS prior to the Merger (the “CBS Credit Facility”), with a maturity in June 2021, was terminated and the $2.50 billion revolving credit facility held by Viacom prior to the Merger (the “Viacom Credit Facility”), with a maturity in February 2024, was amended and restated to a $3.50 billion revolving credit facility with a maturity in January 2025 (the “Credit Facility”). The Credit Facility is used for general corporate purposes and to support commercial paper outstanding, if any. We may, at our option, also borrow in certain foreign currencies up to specified limits under the Credit Facility. Borrowing rates under the Credit Facility are determined at the time of each borrowing and are generally based on either the prime rate in the U.S. or LIBOR plus a margin based on our senior unsecured debt rating, depending on the type and tenor of the loans entered. The Credit Facility has one principal financial covenant that requires our Consolidated Total Leverage Ratio to be less than 4.5x (which we may elect to increase to 5.0x for up to four consecutive quarters following a qualified acquisition) at the end of each quarter. The Consolidated Total Leverage Ratio reflects the ratio of our Consolidated Indebtedness at the end of a quarter, to our Consolidated EBITDA (each as defined in the amended credit agreement) for the trailing twelve-month period. We met the covenant as of June 30, 2020.

At June 30, 2020, we had no borrowings outstanding under the Credit Facility and the remaining availability under the Credit Facility, net of outstanding letters of credit, was $3.50 billion.

Other Bank Borrowings

At June 30, 2020, we had $101 million of bank borrowings with a weighted average interest rate of 3.59%. These borrowings consisted primarily of amounts outstanding under Miramax’s $300 million credit facility, which matures in April 2023.

(Tabular dollars in millions, except per share amounts)

8) FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

The carrying value of our financial instruments approximates fair value, except for notes and debentures, which are not recorded at fair value. The carrying value of our notes and debentures was $19.93 billion and $17.98 billion at June 30, 2020 and December 31, 2019, respectively, and the fair value, which is determined based on quoted prices in active markets (Level 1 in the fair value hierarchy) was $23.2 billion and $20.6 billion at June 30, 2020 and December 31, 2019, respectively.

The carrying value of our investments without a readily determinable fair value for which we have no significant influence was $104 million and $113 million at June 30, 2020 and December 31, 2019, respectively. These investments are included in "Other assets" on the Consolidated Balance Sheets. During the three and six months ended June 30, 2020, in connection with the merger of an investee company with a publicly traded company, we recorded an unrealized gain of $32 million based on the market price of the company's publicly traded equity instruments, which are deemed similar to our investment. The gain is reflected in "Other items, net" in the Consolidated Statement of Operations.

We use derivative financial instruments primarily to modify our exposure to market risks from fluctuations in foreign currency exchange rates. We do not use derivative instruments unless there is an underlying exposure and, therefore, we do not hold or enter into derivative financial instruments for speculative trading purposes.

Foreign Exchange Contracts

Foreign exchange forward contracts have principally been used to hedge projected cash flows, in currencies such as the British Pound, the Euro, the Canadian Dollar and the Australian Dollar, generally for periods up to 24 months. We designate foreign exchange forward contracts used to hedge committed and forecasted foreign currency transactions as cash flow hedges. Gains or losses on the effective portion of designated cash flow hedges are initially recorded in other comprehensive income (loss) and reclassified to the statement of operations when the hedged item is recognized. Additionally, we enter into non-designated forward contracts to hedge non-U.S. dollar denominated cash flows.

At June 30, 2020 and December 31, 2019, the notional amount of all foreign exchange contracts was $881 million and $1.44 billion, respectively. At June 30, 2020, $421 million related to future production costs and $460 million related to our foreign currency balances and other expected foreign currency cash flows. At December 31, 2019, $833 million related to future production costs and $606 million related to our foreign currency balances and other expected foreign currency cash flows.

Gains (losses) recognized on derivative financial instruments were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,		
	2020	**2019**	**2020**	**2019**	**Financial Statement Account**
Non-designated foreign exchange contracts	$ (11)	$ 3	$ 18	$ —	Other items, net

The fair value of our derivative instruments was not material to the Consolidated Balance Sheets for any of the periods presented.

(Tabular dollars in millions, except per share amounts)

The following tables set forth our assets and liabilities measured at fair value on a recurring basis at June 30, 2020 and December 31, 2019. These assets and liabilities 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 publicly quoted prices for the asset or liability in active markets. Level 2 is based on inputs that are observable other than quoted market prices in active markets, such as quoted prices for the asset or liability in inactive markets or quoted prices for similar assets or liabilities. Level 3 is based on unobservable inputs reflecting our own assumptions about the assumptions that market participants would use in pricing the asset or liability.

At June 30, 2020	Level 1	Level 2	Level 3	Total
Assets:				
Equity securities	$ —	$ 32	$ —	$ 32
Foreign currency hedges	—	13	—	13
Total Assets	$ —	$ 45	$ —	$ 45
Liabilities:				
Deferred compensation	$ —	$ 452	$ —	$ 452
Foreign currency hedges	—	18	—	18
Total Liabilities	$ —	$ 470	$ —	$ 470

At December 31, 2019	Level 1	Level 2	Level 3	Total
Assets:				
Marketable securities	$ 146	$ —	$ —	$ 146
Foreign currency hedges	—	13	—	13
Total Assets	$ 146	$ 13	$ —	$ 159
Liabilities:				
Deferred compensation	$ —	$ 490	$ —	$ 490
Foreign currency hedges	—	14	—	14
Total Liabilities	$ —	$ 504	$ —	$ 504

The fair value of foreign currency hedges is determined based on the present value of future cash flows using observable inputs including foreign currency exchange rates. The fair value of deferred compensation liabilities is determined based on the fair value of the investments elected by employees. The fair value of marketable securities at December 31, 2019 was determined based on quoted market prices in active markets. During the six months ended June 30, 2020, we sold marketable securities for proceeds of $146 million. During the three and six months ended June 30, 2019, we recorded an unrealized gain of $28 million and $66 million, respectively, resulting from changes in the fair value of our marketable securities.

During the three and six months ended June 30, 2020, we recorded an impairment charge of $25 million to write down the carrying values of FCC licenses in two markets to their fair values, which were determined based on the Greenfield Discounted Cash Flow Method (Level 3). See Note 4.

9) STOCKHOLDERS' EQUITY

During the second quarter of 2020, we declared a quarterly cash dividend of $.24 per share on our Class A and Class B Common Stock, resulting in total dividends of $150 million, which were paid on July 1, 2020.

During the six months ended June 30, 2020, we repurchased 1.3 million shares of ViacomCBS Class B Common Stock under our share repurchase program for $50 million, at an average cost of $38.63 per share. At June 30, 2020, $2.36 billion of authorization remained under the share repurchase program.

(Tabular dollars in millions, except per share amounts)

Accumulated Other Comprehensive Income (Loss)

The following tables summarize the changes in the components of accumulated other comprehensive loss.

	Cumulative Translation Adjustments	Net Actuarial Loss and Prior Service Cost	Accumulated Other Comprehensive Loss
At December 31, 2019	$ (463)	$ (1,507)	$ (1,970)
Other comprehensive loss before reclassifications	(64)	—	(64)
Reclassifications to net earnings	—	35 (a)	35
Other comprehensive income (loss)	(64)	35	(29)
At June 30, 2020	$ (527)	$ (1,472)	$ (1,999)

	Cumulative Translation Adjustments	Net Actuarial Loss and Prior Service Cost	Accumulated Other Comprehensive Loss
At December 31, 2018	$ (476)	$ (1,132)	$ (1,608)
Other comprehensive income before reclassifications	6	—	6
Reclassifications to net earnings	—	29 (a)	29
Other comprehensive income	6	29	35
Tax effects reclassified to retained earnings	—	(230) (b)	(230)
At June 30, 2019	$ (470)	$ (1,333)	$ (1,803)

(a) Reflects amortization of net actuarial losses (see Note 12). Amounts are net of tax benefits of $11 million and $10 million for the six months ended June 30, 2020 and 2019, respectively.

(b) Reflects the reclassification of certain income tax effects of the federal tax legislation enacted in December 2017 on items within accumulated other comprehensive loss to retained earnings upon the adoption of FASB guidance.

10) STOCK-BASED COMPENSATION

The following table summarizes our stock-based compensation expense for the three and six months ended June 30, 2020 and 2019.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
RSUs and PSUs	$ 40	$ 42	$ 88	$ 85
Stock options	5	8	11	16
Compensation cost included in operating and SG&A expense	45	50	99	101
Compensation cost included in restructuring and other corporate matters (a)	12	—	46	5
Stock-based compensation expense, before income taxes	57	50	145	106
Related tax benefit	(11)	(12)	(27)	(24)
Stock-based compensation expense, net of tax benefit	$ 46	$ 38	$ 118	$ 82

(a) Reflects accelerations as a result of restructuring activities.

11) INCOME TAXES

The (provision) benefit for income taxes represents federal, state and local, and foreign taxes on earnings from continuing operations before income taxes and equity in loss of investee companies. For the three and six months ended June 30, 2020, we recorded a provision for income taxes of $202 million and $339 million, reflecting effective income tax rates of 21.6% and 21.3%, respectively.

For the three and six months ended June 30, 2019, we recorded a provision for income taxes of $241 million and a benefit of $135 million, reflecting effective income tax rates of 19.5% and (4.8)%, respectively. Included in the provision for income taxes for the second quarter of 2019 is a net tax benefit of $32 million principally related to the bankruptcy of an investee. This item, taken together with a provision of $5 million for restructuring and other corporate matters and gain on equity securities, reduced our effective income tax rate by 2.7 percentage points. The tax benefit for the six months ended June 30, 2019 included a deferred tax benefit of $768 million resulting from the transfer of intangible assets between our subsidiaries in connection with a reorganization of our international operations, the aforementioned tax benefit of $32 million principally related to the bankruptcy of an investee, and a tax provision of $163 million on the gain from the sale of the CBS Television City property and sound stage operation (“CBS Television City”). These items, taken together with a net tax benefit of $29 million for restructuring and other corporate matters and gain on equity securities, reduced the effective income tax rate by 27.0 percentage points for the six months ended June 30, 2019.

In March 2020, the U.S. government enacted tax legislation containing provisions to support businesses during the COVID-19 pandemic (the “CARES Act”), including deferment of the employer portion of certain payroll taxes, refundable payroll tax credits, and technical amendments to tax depreciation methods for qualified improvement property. The CARES Act did not have a material impact on our consolidated financial statements for the three and six months ended June 30, 2020. We do not expect the future impact of the CARES Act provisions to be material.

In March 2020, the UK government passed a resolution increasing the UK corporate income tax rate from 17% to 19% beginning April 1, 2020. The resolution received Royal Assent on July 22, 2020. Accordingly, the impact of the rate increase will be recorded in our consolidated financial statements in the third quarter of 2020. We currently estimate the impact of the rate increase to result in a net tax benefit of approximately $100 million, primarily attributable to the adjustment of our UK deferred income tax balances.

ViacomCBS and its subsidiaries file income tax returns with the Internal Revenue Service (“IRS”) and various state and international jurisdictions. For periods prior to the Merger, Viacom and CBS filed separate tax returns. For CBS, the IRS commenced its examination of the 2017 tax year during the fourth quarter of 2019 and commenced its examination of the 2018 tax year in February 2020. For Viacom, the IRS began its examination of the 2014 and 2015 tax years in April 2017. Various tax years are also currently under examination by state and local and foreign tax authorities. With respect to open tax years in all jurisdictions, we currently believe that it is reasonably possible that the reserve for uncertain tax positions may decrease by $125 million within the next 12 months primarily related to potential resolutions of matters involving multiple tax periods and jurisdictions; however, it is difficult to predict the final outcome or timing of resolution of any particular tax matter and events could cause our current expectation to change in the future.

(Tabular dollars in millions, except per share amounts)

12) PENSION AND OTHER POSTRETIREMENT BENEFITS

The following tables present the components of net periodic cost for our pension and postretirement benefit plans.

	Pension Benefits		Postretirement Benefits	
Three Months Ended June 30,	**2020**	**2019**	**2020**	**2019**
Components of net periodic cost [(a)]:				
Service cost	$ 8	$ 7	$ —	$ 1
Interest cost	41	48	3	4
Expected return on plan assets	(49)	(46)	—	—
Amortization of actuarial loss (gain) [(b)]	26	24	(4)	(5)
Net periodic cost	$ 26	$ 33	$ (1)	$ —

	Pension Benefits		Postretirement Benefits	
Six Months Ended June 30,	**2020**	**2019**	**2020**	**2019**
Components of net periodic cost [(a)]:				
Service cost	$ 15	$ 14	$ 1	$ 1
Interest cost	82	96	6	8
Expected return on plan assets	(97)	(92)	—	—
Amortization of actuarial loss (gain) [(b)]	52	48	(8)	(9)
Net periodic cost	$ 52	$ 66	$ (1)	$ —

(a) Amounts reflect our domestic plans only.
(b) Reflects amounts reclassified from accumulated other comprehensive loss to net earnings.

The service cost component of net periodic cost is presented in the Consolidated Statements of Operations within operating income and all other components of net periodic cost are presented within “Other items, net.”

13) REDEEMABLE NONCONTROLLING INTERESTS

We are subject to a redeemable put option, payable in a foreign currency, with respect to an international subsidiary. The put option expires in December 2022 and is classified as “Redeemable noncontrolling interest” on the Consolidated Balance Sheets. The activity reflected within redeemable noncontrolling interest for the six months ended June 30, 2020 and 2019 is presented below.

	Six Months Ended June 30,	
	2020	**2019**
Beginning balance	$ 254	$ 239
Net earnings	3	5
Distributions	(7)	(8)
Translation adjustment	(17)	—
Redemption value adjustment	41	14
Ending balance	$ 274	$ 250

(Tabular dollars in millions, except per share amounts)

14) REPORTABLE SEGMENTS

The following tables set forth our financial information by reportable segment. Our operating segments, which are the same as our reportable segments, have been determined in accordance with our internal management structure, which is organized based upon products and services.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Revenues:				
Advertising	$ 951	$ 1,309	$ 2,332	$ 3,276
Affiliate	751	616	1,485	1,227
Content licensing	544	966	1,341	1,747
Other	41	47	76	94
TV Entertainment	2,287	2,938	5,234	6,344
Advertising	992	1,347	2,109	2,462
Affiliate	1,443	1,539	2,906	3,093
Content licensing	797	290	1,075	523
Cable Networks	3,232	3,176	6,090	6,078
Theatrical	3	152	170	324
Home entertainment	209	161	383	315
Licensing	434	540	876	915
Other	1	24	29	53
Filmed Entertainment	647	877	1,458	1,607
Publishing	200	218	370	382
Corporate/Eliminations	(91)	(66)	(208)	(168)
Total Revenues	$ 6,275	$ 7,143	$ 12,944	$ 14,243

Revenues generated between segments primarily reflect advertising and content licensing revenues. These transactions are recorded at market value as if the sales were to third parties and are eliminated in consolidation.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Intercompany Revenues:				
TV Entertainment	$ 43	$ 38	$ 118	$ 94
Cable Networks	2	9	18	27
Filmed Entertainment	46	26	72	61
Total Intercompany Revenues	$ 91	$ 73	$ 208	$ 182

(Tabular dollars in millions, except per share amounts)

We present operating income (loss) excluding depreciation and amortization, stock-based compensation, costs for restructuring and other corporate matters, programming charges and gain (loss) on sale of assets, each where applicable ("Adjusted OIBDA"), as the primary measure of profit and loss for our operating segments in accordance with FASB guidance for segment reporting since it is the primary method used by our management. Stock-based compensation is excluded from our segment measure of profit and loss because it is set and approved by our Board of Directors in consultation with corporate executive management.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Adjusted OIBDA:				
TV Entertainment	$ 392	$ 613	$ 965	$ 1,355
Cable Networks	1,285	989	2,079	1,882
Filmed Entertainment	116	95	143	133
Publishing	38	35	57	54
Corporate/Eliminations	(97)	(120)	(193)	(222)
Stock-based compensation	(45)	(50)	(99)	(101)
Depreciation and amortization	(124)	(109)	(237)	(215)
Restructuring and other corporate matters	(158)	(7)	(391)	(185)
Programming charges	(121)	—	(121)	—
Gain on sale of assets	—	—	—	549
Operating income	1,286	1,446	2,203	3,250
Interest expense	(263)	(237)	(504)	(477)
Interest income	11	15	25	34
Loss on extinguishment of debt	(103)	—	(103)	—
Other items, net	6	15	(27)	25
Earnings from continuing operations before income taxes and equity in loss of investee companies	937	1,239	1,594	2,832
(Provision) benefit for income taxes	(202)	(241)	(339)	135
Equity in loss of investee companies, net of tax	(12)	(21)	(21)	(39)
Net earnings from continuing operations	723	977	1,234	2,928
Net earnings from discontinued operations, net of tax	3	6	11	19
Net earnings (ViacomCBS and noncontrolling interests)	726	983	1,245	2,947
Net earnings attributable to noncontrolling interests	(245)	(6)	(248)	(11)
Net earnings attributable to ViacomCBS	$ 481	$ 977	$ 997	$ 2,936

	At June 30, 2020	At December 31, 2019
Assets:		
TV Entertainment	$ 19,289	$ 19,689
Cable Networks	22,539	22,109
Filmed Entertainment	6,454	5,477
Publishing	1,246	1,262
Corporate/Eliminations	1,649	967
Discontinued Operations	11	15
Total Assets	$ 51,188	$ 49,519

15) COMMITMENTS AND CONTINGENCIES

Guarantees

Letters of Credit and Surety Bonds. We have indemnification obligations with respect to letters of credit and surety bonds primarily used as security against non-performance in the normal course of business. At June 30, 2020, the outstanding letters of credit and surety bonds approximated $135 million and were not recorded on the Consolidated Balance Sheet.

CBS Television City. In connection with the sale of CBS Television City in 2019, we guaranteed a specified level of cash flows to be generated by the business during the first five years following the completion of the sale. Included in “Other current liabilities” and “Other liabilities” on the Consolidated Balance Sheet at June 30, 2020 is a liability of $99 million, reflecting the present value of the estimated amount payable under the guarantee obligation.

Lease Guarantees. We have certain indemnification obligations with respect to leases primarily associated with the previously discontinued operations of Famous Players Inc. (“Famous Players”). These lease commitments amount to $72 million as of June 30, 2020 and are presented on the Consolidated Balance Sheet within “Other liabilities.” The amount of lease commitments varies over time depending on expiration or termination of individual underlying leases, or the related indemnification obligation, and foreign exchange rates, among other things. We may also have exposure for certain other expenses related to the leases, such as property taxes and common area maintenance. We believe our accrual is sufficient to meet any future obligations based on our consideration of available financial information, the lessees’ historical performance in meeting their lease obligations and the underlying economic factors impacting the lessees’ business models.

In the course of our business, we both provide and receive indemnities which are intended to allocate certain risks associated with business transactions. Similarly, we may remain contingently liable for various obligations of a business that has been divested in the event that a third party does not live up to its obligations under an indemnification obligation. We record a liability for our indemnification obligations and other contingent liabilities when probable and reasonably estimable.

Legal Matters

General

On an ongoing basis, we vigorously defend ourselves in numerous lawsuits and proceedings and respond to various investigations and inquiries from federal, state, local and international authorities (collectively, “litigation’’). Litigation may be brought against us without merit, is inherently uncertain and always difficult to predict. However, based on our understanding and evaluation of the relevant facts and circumstances, we believe that the following matters are not likely, in the aggregate, to result in a material adverse effect on our business, financial condition and results of operations.

Litigation Relating to the Merger

Beginning on February 20, 2020, three purported CBS stockholders filed separate derivative and/or putative class action lawsuits in the Court of Chancery of the State of Delaware. On March 31, 2020, the Court consolidated the three lawsuits and appointed Bucks County Employees’ Retirement Fund and International Union of Operating Engineers of Eastern Pennsylvania and Delaware as co-lead plaintiffs for the consolidated action. On April 14, 2020, the lead plaintiffs filed a Verified Consolidated Class Action and Derivative Complaint (as used in this paragraph, the “Complaint”) against Shari E. Redstone, NAI, Sumner M. Redstone National Amusements Trust, members of the CBS Board of Directors (comprised of Candace K. Beinecke, Barbara M. Byrne, Gary L. Countryman, Brian Goldner, Linda M. Griego, Robert N. Klieger, Martha L. Minow, Susan Schuman, Frederick O. Terrell and Strauss Zelnick), former CBS President and Acting Chief Executive Officer Joseph Ianniello and nominal defendant ViacomCBS Inc. The Complaint alleges breaches of fiduciary duties to CBS stockholders in connection with the negotiation and approval of the Agreement and Plan of Merger dated as of August 13, 2019, as amended on October 16, 2019 (the "Merger Agreement"). The Complaint also alleges waste and unjust enrichment in connection with Mr. Ianniello's compensation. The Complaint seeks unspecified damages, costs and expenses, as well as other relief. On June 5, 2020, the defendants filed motions to dismiss. We believe that the claims are without merit and we intend to defend against them vigorously. We are currently unable to determine a range of potential liability, if any. Accordingly, no accrual for this matter has been made in our consolidated financial statements.

Beginning on November 25, 2019, four purported Viacom stockholders filed separate putative class action lawsuits in the Court of Chancery of the State of Delaware. On January 23, 2020, the Court consolidated the four lawsuits. On February 6, 2020, the Court appointed California Public Employees' Retirement System ("CalPERS") as lead plaintiff for the consolidated action. On February 28, 2020, CalPERS, together with Park Employees' and Retirement Board Employees' Annuity and Benefit Fund of Chicago and Louis M. Wilen, filed a First Amended Verified Class Action Complaint (as used in this paragraph, the "Complaint") against NAI, NAI Entertainment Holdings LLC, Shari E. Redstone, the members of the Viacom special transaction committee of the Viacom Board of Directors (comprised of Thomas J. May, Judith A. McHale, Ronald L. Nelson and Nicole Seligman) and our President and Chief Executive Officer and director, Robert M. Bakish. The Complaint alleges breaches of fiduciary duties to Viacom stockholders in connection with the negotiation and approval of the Merger Agreement. The Complaint seeks unspecified damages, costs and expenses, as well as other relief. On May 22, 2020, the defendants filed motions to dismiss. We believe that the claims are without merit and we intend to defend against them vigorously. We are currently unable to determine a range of potential liability, if any. Accordingly, no accrual for this matter has been made in our consolidated financial statements.

Investigation-Related Matters

As announced on August 1, 2018, the CBS Board of Directors retained two law firms to conduct a full investigation of the allegations in press reports about CBS' former Chairman of the Board, President and Chief Executive Officer, Leslie Moonves, CBS News and cultural issues at CBS. On December 17, 2018, the CBS Board of Directors announced the completion of its investigation, certain findings of the investigation and the CBS Board of Directors' determination, discussed below, with respect to the termination of Mr. Moonves' employment. We have received subpoenas from the New York County District Attorney's Office and the New York City Commission on Human Rights regarding the subject matter of this investigation and related matters. The New York State Attorney General's Office and the United States Securities and Exchange Commission have also requested information about these matters, including with respect to CBS' related public disclosures. We may continue to receive additional related regulatory and investigative inquiries from these and other entities in the future. We are cooperating with these inquiries.

On August 27, 2018 and on October 1, 2018, Gene Samit and John Lantz, respectively, filed putative class action suits in the United States District Court for the Southern District of New York, individually and on behalf of others similarly situated, for claims that are similar to those alleged in the amended complaint described below. On November 6, 2018, the Court entered an order consolidating the two actions. On November 30, 2018, the Court appointed Construction Laborers Pension Trust for Southern California as the lead plaintiff of the consolidated action. On February 11, 2019, the lead plaintiff filed a consolidated amended putative class action complaint against CBS, certain current and former senior executives and members of the CBS Board of Directors. The consolidated action is stated to be on behalf of purchasers of CBS Class A Common Stock and Class B Common

Stock between September 26, 2016 and December 4, 2018. This action seeks to recover damages arising during this time period allegedly caused by the defendants' purported violations of the federal securities laws, including by allegedly making materially false and misleading statements or failing to disclose material information, and seeks costs and expenses as well as remedies under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder. On April 12, 2019, the defendants filed motions to dismiss this action, which the Court granted in part and denied in part on January 15, 2020. With the exception of one statement made by Mr. Moonves at an industry event in November 2017, in which he allegedly was acting as the agent of CBS, all claims as to all other allegedly false and misleading statements were dismissed. We believe that the remaining claims are without merit and we intend to defend against them vigorously. We are currently unable to determine a range of potential liability, if any. Accordingly, no accrual for this matter has been made in our consolidated financial statements.

Separation Agreement

On September 9, 2018, CBS entered into a separation and settlement agreement and releases (the "Separation Agreement") with Mr. Moonves, pursuant to which Mr. Moonves resigned as a director and as Chairman of the Board, President and Chief Executive Officer of CBS. In October 2018, we contributed $120 million to a grantor trust pursuant to the Separation Agreement. On December 17, 2018, the CBS Board of Directors announced that, following its consideration of the findings of the investigation referred to above, it had determined that there were grounds to terminate Mr. Moonves' employment for cause under his employment agreement with CBS. Any dispute related to the CBS Board of Directors' determination is subject to binding arbitration as set forth in the Separation Agreement. On January 16, 2019, Mr. Moonves commenced a binding arbitration proceeding with respect to this matter and the related CBS Board of Directors investigation, which proceeding is ongoing. The assets of the grantor trust will remain in the trust until a final determination in the arbitration. We are currently unable to determine the outcome of the arbitration and the amount, if any, that may be awarded thereunder. Accordingly, no accrual for this matter has been made in our consolidated financial statements.

Claims Related to Former Businesses: Asbestos

We are a defendant in lawsuits claiming various personal injuries related to asbestos and other materials, which allegedly occurred as a result of exposure caused by various products manufactured by Westinghouse, a predecessor, generally prior to the early 1970s. Westinghouse was neither a producer nor a manufacturer of asbestos. We are typically named as one of a large number of defendants in both state and federal cases. In the majority of asbestos lawsuits, the plaintiffs have not identified which of our products is the basis of a claim. Claims against us in which a product has been identified most commonly relate to allegations of exposure to asbestos-containing insulating material used in conjunction with turbines and electrical equipment.

Claims are frequently filed and/or settled in groups, which may make the amount and timing of settlements, and the number of pending claims, subject to significant fluctuation from period to period. We do not report as pending those claims on inactive, stayed, deferred or similar dockets that some jurisdictions have established for claimants who allege minimal or no impairment. As of June 30, 2020, we had pending approximately 31,190 asbestos claims, as compared with approximately 30,950 as of December 31, 2019. During the second quarter of 2020, we received approximately 590 new claims and closed or moved to an inactive docket approximately 480 claims. We report claims as closed when we become aware that a dismissal order has been entered by a court or when we have reached agreement with the claimants on the material terms of a settlement. Settlement costs depend on the seriousness of the injuries that form the basis of the claims, the quality of evidence supporting the claims and other factors. Our total costs for the years 2019 and 2018 for settlement and defense of asbestos claims after insurance recoveries and net of tax were approximately $58 million and $45 million, respectively. Our costs for settlement and defense of asbestos claims may vary year to year and insurance proceeds are not always recovered in the same period as the insured portion of the expenses.

(Tabular dollars in millions, except per share amounts)

Filings include claims for individuals suffering from mesothelioma, a rare cancer, the risk of which is allegedly increased by exposure to asbestos; lung cancer, a cancer which may be caused by various factors, one of which is alleged to be asbestos exposure; other cancers, and conditions that are substantially less serious, including claims brought on behalf of individuals who are asymptomatic as to an allegedly asbestos-related disease. The predominant number of pending claims against us are non-cancer claims. It is difficult to predict future asbestos liabilities, as events and circumstances may impact the estimate of our asbestos liabilities, including, among others, the number and types of claims and average cost to resolve such claims. We record an accrual for a loss contingency when it is both probable that a liability has been incurred and when the amount of the loss can be reasonably estimated. We believe that our accrual and insurance are adequate to cover our asbestos liabilities. Our liability estimate is based upon many factors, including the number of outstanding claims, estimated average cost per claim, the breakdown of claims by disease type, historic claim filings, costs per claim of resolution and the filing of new claims, as well as consultation with a third party firm on trends that may impact our future asbestos liability.

Other

From time to time we receive claims from federal and state environmental regulatory agencies and other entities asserting that we are or may be liable for environmental cleanup costs and related damages principally relating to our historical and predecessor operations. In addition, from time to time we receive personal injury claims including toxic tort and product liability claims (other than asbestos) arising from our historical operations and predecessors.

16) SUPPLEMENTAL FINANCIAL INFORMATION

Supplemental Cash Flow Information

	Six Months Ended June 30,	
	2020	**2019**
Cash paid for interest	$ 470	$ 463
Cash paid for income taxes	$ 100	$ 498
Noncash additions to operating lease assets	$ 89	$ 213

Variable Interest Entities

In the normal course of business, we enter into joint ventures or make investments with business partners that support our underlying business strategy and provide us the ability to enter new markets to expand the reach of our brands, develop new programming and/or distribute our existing content. In certain instances, an entity in which we make an investment may qualify as a VIE. In determining whether we are the primary beneficiary of a VIE, we assess whether we have the power to direct matters that most significantly impact the activities of the VIE and have the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE.

The Consolidated Balance Sheets include assets and liabilities related to consolidated VIEs totaling $1.31 billion and $219 million, respectively, at June 30, 2020, and $141 million and $22 million, respectively, at December 31, 2019. Revenues and operating income from our consolidated VIEs were $538 million and $500 million, respectively, for the three months ended June 30, 2020, and $556 million and $498 million, respectively, for the six months ended June 30, 2020. Revenues and operating income from our consolidated VIEs were not significant for the three and six months ended June 30, 2019. The increase in amounts related to our consolidated VIEs reflects the acquisition of Miramax (see Note 2) and the licensing of the streaming rights to *South Park* by a consolidated 51%-owned VIE in the second quarter of 2020.

Gain on Sale of Assets

During the first quarter of 2019, we completed the sale of CBS Television City for $750 million. We guaranteed a specified level of cash flows to be generated by the business during the first five years following the completion of the sale. This transaction resulted in a gain of $549 million ($386 million, net of tax), which included a reduction for the estimated amount payable under the guarantee obligation.

Lease Income

We enter into operating leases for the use of our owned production facilities and office buildings. Lease payments received under these agreements consist of fixed payments for the rental of space and certain building operating costs, as well as variable payments based on usage of production facilities and services, and escalating costs of building operations. We recorded total lease income, including both fixed and variable amounts, of $19 million and $53 million for three and six months ended June 30, 2020, respectively, and $38 million and $78 million for three and six months ended June 30, 2019, respectively.

Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition.
(Tabular dollars in millions, except per share amounts)

Management's discussion and analysis of the results of operations and financial condition of ViacomCBS Inc. should be read in conjunction with the consolidated financial statements and related notes in ViacomCBS Inc.'s Annual Report filed on Form 10-K for the fiscal year ended December 31, 2019. References in this document to "ViacomCBS," the "Company," "we," "us" and "our" refer to ViacomCBS Inc.

Significant components of management's discussion and analysis of results of operations and financial condition include:

- *Overview*—Summary of ViacomCBS and our business and operational highlights.
- *Consolidated Results of Operations*—Analysis of our results on a consolidated basis for the three and six months ended June 30, 2020 compared with the three and six months ended June 30, 2019.
- *Segment Results of Operations*—Analysis of our results on a reportable segment basis for the three and six months ended June 30, 2020 compared with the three and six months ended June 30, 2019.
- *Liquidity and Capital Resources*—Discussion of our cash flows for the six months ended June 30, 2020 compared with the six months ended June 30, 2019 and of our outstanding debt, commitments and contingencies existing as of June 30, 2020.
- *Legal Matters*—Discussion of legal matters to which we are involved.

Overview

ViacomCBS is a leading global media and entertainment company that creates content and experiences for audiences worldwide.

Merger with Viacom Inc.

On December 4, 2019, Viacom Inc. ("Viacom") merged with and into CBS Corporation ("CBS"), with CBS continuing as the surviving company (the "Merger"). At the effective time of the Merger, the combined company changed its name to ViacomCBS Inc. The Merger has been accounted for as a transaction between entities under common control as National Amusements, Inc. ("NAI") was the controlling stockholder of each of CBS and Viacom (and remains the controlling stockholder of ViacomCBS). Upon the closing of the Merger, the net assets of Viacom were combined with those of CBS at their historical carrying amounts and the companies have been presented on a combined basis for all periods presented.

Impact of COVID-19

The coronavirus disease ("COVID-19") pandemic has negatively impacted, and is expected to continue to impact, the macroeconomic environment in the United States and globally, as well as our business, financial condition and results of operations. As a result of COVID-19, we have experienced a material negative impact on our advertising revenues because of weakness in the advertising market as advertisers have sought to reduce their own costs in response to the pandemic's impact on their businesses, and because of the cancellation or postponement of sporting events for which we have broadcast rights, such as the *NCAA Division I Men's Basketball Championship* (the "NCAA Tournament") and professional golf tournaments. We are not able to predict whether future sporting events will be canceled or postponed, or whether advertising revenues from these broadcasts, or advertising budgets and the advertising market generally, will return or be comparable to historical levels. While we expect this negative impact to continue in the second half of the year, we expect the rate of decline in advertising revenues will improve from the second quarter.

COVID-19 has also led to a temporary shutdown of production of our television and film programming, which resulted in the abandonment of certain program materials that were not complete, delays in deliveries of programming to third parties, and fewer original programs and live events airing on our broadcast and cable networks. While production has begun on a limited basis, we are not able to predict when production will fully resume, or the impact of incremental costs required to adhere to new health and safety protocols. We may also experience lower demand for the licensing of our programming in the near term as licensees implement financial austerity measures and aim to reduce costs. As a result, content licensing and advertising revenues have been and may continue to be negatively impacted in the near to medium term.

In addition, our theatrical revenues have been negatively impacted by the closure or reduction in capacity of movie theaters that show our films, either voluntarily or as a result of government orders or restrictions on public gatherings in response to COVID-19, which has impacted our theatrical release strategy for several films in 2020. As a result, we did not release any films in the second quarter of 2020 and postponed two significant theatrical releases from 2020 to 2021. We are not able to predict when movie theaters will reopen at scale, whether consumers will return to movie theaters (even upon their reopening) at the same levels they previously did, or whether revenues from theatrical releases will be comparable to historical levels.

COVID-19 could also have a negative impact on our affiliate revenues, as consumers may seek to reduce discretionary spending by cutting back or foregoing subscriptions to cable television or other multichannel video programming distributors ("MVPDs") and virtual MVPDs.

The continuing impact of COVID-19 could be material to our business, financial condition and results of operations. The magnitude of the impact will depend on numerous evolving factors that we may not be able to accurately predict, including the duration and extent of the pandemic, the impact of federal, state, local and foreign governmental actions, consumer behavior in response to the pandemic and such governmental actions, and the economic and operating conditions that we may face in the aftermath of COVID-19. Even after COVID-19 has subsided, we may experience materially adverse impacts to our business as a result of its global economic impact, including any recession that has occurred or may occur in the future. Due to the evolving and uncertain nature of the pandemic, we are not able to estimate the full extent of the impact on our business, financial condition and results of operations, particularly over the near to medium term.

While COVID-19 has negatively impacted parts of our business, we have seen increased viewership across our broadcast, cable and digital properties and are utilizing our deep library of content to mitigate its impact. We are also working proactively to offset a portion of the revenue losses through cost-savings initiatives. In addition, results for the second half of the year are expected to benefit from increased political advertising revenues associated with the U.S. Presidential election. We have taken steps to strengthen our financial position during this period of market uncertainty, such as the issuance of long-term debt and redemption of near-term debt discussed under "Liquidity and Capital Resources," and we will continue to actively monitor the potential impact of COVID-19 and related events on the commercial paper and credit markets.

(Tabular dollars in millions, except per share amounts)

Operational Highlights - Three Months Ended June 30, 2020 versus Three Months Ended June 30, 2019

Consolidated results of operations			**Increase/(Decrease)**	
Three Months Ended June 30,	**2020**	**2019**	**$**	**%**
GAAP:				
Revenues	$ 6,275	$ 7,143	$ (868)	(12)%
Operating income	$ 1,286	$ 1,446	$ (160)	(11)%
Net earnings from continuing operations attributable to ViacomCBS	$ 478	$ 971	$ (493)	(51)%
Diluted EPS from continuing operations attributable to ViacomCBS	$ .77	$ 1.57	$ (.80)	(51)%
Net cash flow provided by operating activities	$ 795	$ 260	$ 535	206 %
Non-GAAP: [(a)]				
Adjusted OIBDA	$ 1,689	$ 1,562	$ 127	8 %
Adjusted net earnings from continuing operations attributable to ViacomCBS	$ 769	$ 912	$ (143)	(16)%
Adjusted diluted EPS from continuing operations attributable to ViacomCBS	$ 1.25	$ 1.48	$ (.23)	(16)%
Free cash flow	$ 714	$ 185	$ 529	286 %

(a) See "*Reconciliation of Non-GAAP Measures*" and "*Free Cash Flow*" for reconciliations of non-GAAP results to the most directly comparable financial measures in accordance with accounting principles generally accepted in the United States ("GAAP").

For the three months ended June 30, 2020, revenues decreased 12% to $6.28 billion, driven by the adverse effects of COVID-19 on our business, including weak demand in the advertising market, the closure of movie theaters throughout the second quarter, and the cancellation and postponement of professional golf tournaments. The decline in revenues also reflected the comparison against the broadcast of the national semifinals and championship games of the NCAA Tournament on CBS in the second quarter of 2019. These NCAA Tournament games are broadcast on CBS every other year through 2032 under agreements with the NCAA and Turner Broadcasting System, Inc. ("Turner"). These decreases were partially offset by growth from our streaming services, including CBS All Access, Pluto TV and the Showtime streaming subscription offering ("Showtime OTT"), as well as BET+, which launched in September 2019. Revenues from our domestic streaming and digital video business grew 25% to $489 million for the three months ended June 30, 2020. Content licensing revenues for the three months ended June 30, 2020 were relatively flat compared with the same prior-year period, as the licensing of the domestic streaming rights to *South Park* was offset by a lower volume of licensing in the second quarter of 2020 as a result of the benefit to the prior-year period from several significant licensing agreements for library programming, the timing of the delivery of programming produced for third parties, and production shutdowns because of COVID-19.

Operating income for the three months ended June 30, 2020 decreased 11% from the same prior-year period. This comparison was impacted by items identified as affecting comparability, including programming, restructuring and impairment charges and costs associated with other corporate matters. See "*Reconciliation of Non-GAAP Measures.*" Adjusted operating income before depreciation and amortization ("Adjusted OIBDA") increased 8% as the revenue decline was more than offset by lower programming and distribution costs mainly as a result of production shutdowns and the absence of theatrical releases during the quarter, lower advertising and promotion costs from the broadcast of fewer original programs and lower employee expenses reflecting the benefit from restructuring activities.

(Tabular dollars in millions, except per share amounts)

For the three months ended June 30, 2020, net earnings from continuing operations attributable to ViacomCBS and diluted earnings per share ("EPS") from continuing operations each decreased 51% from the same prior-year period. These comparisons were impacted by the aforementioned items affecting comparability, including a loss on extinguishment of debt of $103 million in 2020 and gains relating to investments in the 2020 and 2019 periods. Adjusted net earnings from continuing operations attributable to ViacomCBS and adjusted diluted EPS each decreased 16%, as the growth in Adjusted OIBDA was more than offset by the noncontrolling interest's share of profit from the licensing of *South Park* in 2020. Adjusted OIBDA, adjusted net earnings from continuing operations attributable to ViacomCBS and adjusted diluted EPS from continuing operations are non-GAAP financial measures. See "*Reconciliation of Non-GAAP Measures*" for details of the items excluded from financial results, and reconciliations of adjusted results to the most directly comparable financial measures in accordance with GAAP.

Operational Highlights - Six Months Ended June 30, 2020 versus Six Months Ended June 30, 2019

Consolidated results of operations			Increase/(Decrease)	
Six Months Ended June 30,	**2020**	**2019**	**$**	**%**
GAAP:				
Revenues	$ 12,944	$ 14,243	$ (1,299)	(9)%
Operating income	$ 2,203	$ 3,250	$ (1,047)	(32)%
Net earnings from continuing operations attributable to ViacomCBS	$ 986	$ 2,917	$ (1,931)	(66)%
Diluted EPS from continuing operations attributable to ViacomCBS	$ 1.60	$ 4.73	$ (3.13)	(66)%
Net cash flow provided by operating activities	$ 1,151	$ 1,189	$ (38)	(3)%
Non-GAAP: [(a)]				
Adjusted OIBDA	$ 2,952	$ 3,101	$ (149)	(5)%
Adjusted net earnings from continuing operations attributable to ViacomCBS	$ 1,468	$ 1,810	$ (342)	(19)%
Adjusted diluted EPS from continuing operations attributable to ViacomCBS	$ 2.38	$ 2.93	$ (.55)	(19)%
Free cash flow	$ 1,019	$ 1,047	$ (28)	(3)%

(a) See "*Reconciliation of Non-GAAP Measures*" and "*Free Cash Flow*" for reconciliations of non-GAAP results to the most directly comparable financial measures in accordance with GAAP.

For the six months ended June 30, 2020, revenues decreased 9% to $12.94 billion, driven by the adverse effects of COVID-19 on our business as well as the comparison against CBS' broadcasts of *Super Bowl LIII* and the NCAA Tournament in the first half of 2019. The Super Bowl is broadcast on the CBS Television Network on a rotating basis with other networks through the 2022 season under the current contract with the National Football League ("NFL") and the 2020 NCAA Tournament, which was scheduled to be broadcast on CBS in the first quarter of 2020, was canceled as a result of concerns about COVID-19. These decreases were partially offset by growth from our streaming services, including CBS All Access, Pluto TV, Showtime OTT, and BET+. Revenues from our domestic streaming and digital video business grew 37% to $960 million for the six months ended June 30, 2020.

Operating income for the six months ended June 30, 2020 decreased 32% from the same prior-year period. This comparison was impacted by items identified as affecting comparability, including programming, restructuring and impairment charges and costs for other corporate matters, as well as a gain on the sale of assets in the first quarter of 2019. See "*Reconciliation of Non-GAAP Measures.*" Adjusted OIBDA decreased 5%, primarily reflecting the decline in revenues, partially offset by lower operating expenses, as a result of production shutdowns, the absence in the 2020 period of certain major sporting events and theatrical film releases, and the benefit from restructuring activities.

For the six months ended June 30, 2020, net earnings from continuing operations attributable to ViacomCBS and diluted EPS from continuing operations each decreased 66% from the same prior-year period. These comparisons were impacted by items identified as affecting comparability, including the aforementioned items, a loss on extinguishment of debt of $103 million, as well as discrete tax items of $800 million in 2019, principally related to tax benefits from the transfer of intangible assets between our subsidiaries in connection with a reorganization of our international operations and the bankruptcy of an investee. Adjusted net earnings from continuing operations attributable to ViacomCBS and diluted EPS from continuing operations each decreased 19%, reflecting the lower Adjusted OIBDA and the noncontrolling interest's share of profit from the licensing of *South Park* during the second quarter of 2020. Adjusted OIBDA, adjusted net earnings from continuing operations attributable to ViacomCBS and adjusted diluted EPS from continuing operations are non-GAAP financial measures. See "*Reconciliation of Non-GAAP Measures*" for details of the items excluded from financial results, and reconciliations of adjusted results to the most directly comparable financial measures in accordance with GAAP.

We generated operating cash flow of $1.15 billion for the six months ended June 30, 2020 compared with $1.19 billion for the six months ended June 30, 2019. Free cash flow for the six months ended June 30, 2020 was $1.02 billion compared with $1.05 billion for the same prior-year period. These decreases primarily reflect lower revenues, including from the impact of COVID-19 and the comparison against the broadcast of the Super Bowl in the first quarter of 2019, and higher payments for restructuring and merger-related costs. These decreases were offset by lower programming and production spending resulting from COVID-19 related production shutdowns and lower payments for income taxes in the first half of 2020. Operating cash flow and free cash flow for the six months ended June 30, 2020 and 2019 included payments for restructuring and merger-related costs of $351 million and $101 million, respectively. Free cash flow is a non-GAAP financial measure. See "*Free Cash Flow*" for a reconciliation of net cash flow provided by operating activities, the most directly comparable GAAP financial measure, to free cash flow.

Reconciliation of Non-GAAP Measures

Results for the three and six months ended June 30, 2020 and 2019 included certain items identified as affecting comparability. Adjusted OIBDA, adjusted earnings from continuing operations before income taxes, adjusted provision for income taxes, adjusted net earnings from continuing operations attributable to ViacomCBS and adjusted diluted EPS from continuing operations (together, the "adjusted measures") exclude the impact of these items and are measures of performance not calculated in accordance with GAAP. We use these measures to, among other things, evaluate our operating performance. These measures are among the primary measures used by management for planning and forecasting of future periods, and they are important indicators of our operational strength and business performance. In addition, we use Adjusted OIBDA to, among other things, value prospective acquisitions. We believe these measures are relevant and useful for investors because they allow investors to view performance in a manner similar to the method used by our management; provide a clearer perspective on our underlying performance; and make it easier for investors, analysts and peers to compare our operating performance to other companies in our industry and to compare our year-over-year results.

Because the adjusted measures are measures of performance not calculated in accordance with GAAP, they should not be considered in isolation of, or as a substitute for, operating income, earnings from continuing operations before income taxes, (provision) benefit for income taxes, net earnings from continuing operations attributable to ViacomCBS or diluted EPS from continuing operations, as applicable, as indicators of operating performance.

(Tabular dollars in millions, except per share amounts)

These measures, as we calculate them, may not be comparable to similarly titled measures employed by other companies.

The following tables reconcile the adjusted measures to their most directly comparable financial measures in accordance with GAAP.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Operating income (GAAP)	$ 1,286	$ 1,446	$ 2,203	$ 3,250
Depreciation and amortization [a]	124	109	237	215
Restructuring and other corporate matters [b]	158	7	391	185
Programming charges [b]	121	—	121	—
Gain on sale of assets [b]	—	—	—	(549)
Adjusted OIBDA (Non-GAAP)	$ 1,689	$ 1,562	$ 2,952	$ 3,101

(a) The three and six months ended June 30, 2020 include an impairment charge for FCC licenses of $25 million and the six months ended June 30, 2020 also includes accelerated depreciation of $12 million for technology that was abandoned in connection with synergy plans related to the Merger.

(b) See notes on the following tables for additional information on items affecting comparability.

	Three Months Ended June 30, 2020			
	Earnings from Continuing Operations Before Income Taxes	Provision for Income Taxes	Net Earnings from Continuing Operations Attributable to ViacomCBS	Diluted EPS from Continuing Operations
Reported (GAAP)	$ 937	$ (202)	$ 478	$ .77
Items affecting comparability:				
Restructuring and other corporate matters [a]	158	(34)	124	.20
Impairment charge [b]	25	(6)	19	.03
Programming charges [c]	121	(29)	92	.15
Gains from investments [d]	(32)	8	(24)	(.03)
Loss on extinguishment of debt	103	(24)	79	.13
Discrete tax items	—	1	1	—
Adjusted (Non-GAAP)	$ 1,312	$ (286)	$ 769	$ 1.25

(a) Reflects severance, exit costs and other costs related to the Merger and a charge to write down property and equipment classified as held for sale.

(b) Reflects a charge to reduce the carrying values of FCC licenses in two markets to their fair values.

(c) Programming charges primarily related to the abandonment of certain incomplete programs resulting from COVID-19 related production shutdowns.

(d) Reflects an increase to the carrying value of an equity security based on the market price of a similar security.

(Tabular dollars in millions, except per share amounts)

	Three Months Ended June 30, 2019			
	Earnings from Continuing Operations Before Income Taxes	Provision for Income Taxes	Net Earnings from Continuing Operations Attributable to ViacomCBS	Diluted EPS from Continuing Operations
Reported (GAAP)	$ 1,239	$ (241)	$ 971	$ 1.57
Items affecting comparability:				
Restructuring and other corporate matters (a)	7	(2)	5	.01
Gains from investments (b)	(39)	7	(32)	(.05)
Discrete tax items (c)	—	(32)	(32)	(.05)
Adjusted (Non-GAAP)	$ 1,207	$ (268)	$ 912	$ 1.48

(a) Reflects professional fees associated with legal proceedings involving the Company and other corporate matters.

(b) Reflects a gain on marketable securities of $28 million and a gain of $11 million on the sale of an international joint venture.

(c) Primarily reflects a tax benefit related to the bankruptcy of an investee.

	Six Months Ended June 30, 2020			
	Earnings from Continuing Operations Before Income Taxes	Provision for Income Taxes	Net Earnings from Continuing Operations Attributable to ViacomCBS	Diluted EPS from Continuing Operations
Reported (GAAP)	$ 1,594	$ (339)	$ 986	$ 1.60
Items affecting comparability:				
Restructuring and other corporate matters (a)	391	(81)	310	.50
Impairment charge (b)	25	(6)	19	.03
Depreciation of abandoned technology (c)	12	(3)	9	.01
Programming charges (d)	121	(29)	92	.15
Gains from investments (e)	(32)	8	(24)	(.04)
Loss on extinguishment of debt	103	(24)	79	.13
Discrete tax items	—	(3)	(3)	—
Adjusted (Non-GAAP)	$ 2,214	$ (477)	$ 1,468	$ 2.38

(a) Reflects severance, exit costs and other costs related to the Merger and a charge to write down property and equipment classified as held for sale.

(b) Reflects a charge to reduce the carrying values of FCC licenses in two markets to their fair values.

(c) Reflects accelerated depreciation for technology that was abandoned in connection with synergy plans related to the Merger.

(d) Programming charges primarily related to the abandonment of certain incomplete programs resulting from COVID-19 related production shutdowns.

(e) Reflects an increase to the carrying value of an equity security based on the market price of a similar security.

(Tabular dollars in millions, except per share amounts)

	Six Months Ended June 30, 2019			
	Earnings from Continuing Operations Before Income Taxes	**Benefit (Provision) for Income Taxes**	**Net Earnings from Continuing Operations Attributable to ViacomCBS**	**Diluted EPS from Continuing Operations**
Reported (GAAP)	$ 2,832	$ 135	$ 2,917	$ 4.73
Items affecting comparability:				
Restructuring and other corporate matters [(a)]	185	(45)	140	.23
Gain on sale of assets [(b)]	(549)	163	(386)	(.63)
Gains from investments [(c)]	(77)	16	(61)	(.10)
Discrete tax items [(d)]	—	(800)	(800)	(1.30)
Adjusted (Non-GAAP)	$ 2,391	$ (531)	$ 1,810	$ 2.93

(a) Reflects severance, exit costs, costs associated with the settlement of a commercial dispute, and other legal proceedings involving the Company.

(b) Reflects a gain on the sale of the CBS Television City property and sound stage operation ("CBS Television City").

(c) Reflects a gain on marketable securities of $66 million and a gain of $11 million on the sale of an international joint venture.

(d) Reflects a deferred tax benefit of $768 million resulting from the transfer of intangible assets between our subsidiaries in connection with a reorganization of our international operations and a net tax benefit of $32 million principally related to the bankruptcy of an investee.

Consolidated Results of Operations

Three and Six Months Ended June 30, 2020 versus Three and Six Months Ended June 30, 2019

Revenues

	Three Months Ended June 30,					
					Increase/(Decrease)	
Revenues by Type	**2020**	**% of Total Revenues**	**2019**	**% of Total Revenues**	**$**	**%**
Advertising	$ 1,934	31%	$ 2,645	37%	$ (711)	(27)%
Affiliate	2,194	35	2,155	30	39	2
Content licensing	1,902	30	1,909	27	(7)	—
Theatrical	3	—	152	2	(149)	(98)
Publishing	200	3	218	3	(18)	(8)
Other	42	1	64	1	(22)	(34)
Total Revenues	$ 6,275	100%	$ 7,143	100%	$ (868)	(12)%

	Six Months Ended June 30,					
					Increase/(Decrease)	
Revenues by Type	**2020**	**% of Total Revenues**	**2019**	**% of Total Revenues**	**$**	**%**
Advertising	$ 4,418	34%	$ 5,711	40%	$ (1,293)	(23)%
Affiliate	4,391	34	4,320	30	71	2
Content licensing	3,496	27	3,374	24	122	4
Theatrical	170	1	324	2	(154)	(48)
Publishing	370	3	382	3	(12)	(3)
Other	99	1	132	1	(33)	(25)
Total Revenues	$ 12,944	100%	$ 14,243	100%	$ (1,299)	(9)%

Advertising

For the three and six months ended June 30, 2020, the decreases in advertising revenues of 27% and 23%, respectively, were driven by the adverse effects of COVID-19, including lower demand in the advertising market and the cancellation and postponement of sporting events. Canceled or postponed sporting events include professional golf tournaments in the three months ended June 30, 2020 and the 2020 NCAA Tournament in the six-month period. In addition, our advertising revenues were negatively affected by the comparison against CBS' broadcast of the national semifinals and championship games of the NCAA Tournament in the second quarter of 2019. These games are broadcast on CBS every other year through 2032 under agreements with the NCAA and Turner. The decline in advertising revenues for the six-month period also reflects the comparison against CBS' broadcast of *Super Bowl LIII* in the first quarter of 2019. The Super Bowl is broadcast on the CBS Television Network on a rotating basis with other networks through the 2022 season under the current contract with the NFL.

Domestic advertising revenues for the second quarter of 2020 decreased 24% to $1.73 billion from $2.29 billion for the same prior-year period, and for the six months ended June 30, 2020 decreased 22% to $3.96 billion from $5.07 billion for the same prior-year period. These decreases were the result of the aforementioned factors for the applicable period. Advertising revenues benefited from growth from our domestic streaming and digital video business, including Pluto TV.

International advertising revenues for the three months ended June 30, 2020 decreased 43% to $204 million from $355 million for the same prior-year period, and for the six months ended June 30, 2020 decreased 29% to $459 million from $646 million for the same prior-year period. These decreases primarily reflect the effects of COVID-19 as well as the unfavorable impact of foreign exchange rate changes of 4 percentage points on the three-month comparison and 6 percentage points on the six-month comparison.

Affiliate

For each of the three and six months ended June 30, 2020, affiliate revenues increased 2%, reflecting growth from station affiliation fees and retransmission fees, driven by annual contractual increases and contract renewals with television stations affiliated with the CBS Television Network, MVPDs and virtual MVPDs, as well as growth from our streaming services, including CBS All Access and Showtime OTT, driven by subscriber growth, as well as BET+, which we launched in September 2019. These increases were partially offset by lower cable affiliate fees, mainly resulting from subscriber declines. For the three months ended June 30, 2020, domestic affiliate revenues increased 2% to $2.03 billion from $1.99 billion for the same prior-year period, while international affiliate revenues decreased 5% to $160 million from $169 million for the second quarter of 2019, driven by the unfavorable impact of foreign exchange rate changes of 3 percentage points. For the six months ended June 30, 2020, domestic affiliate revenues increased 3% to $4.08 billion from $3.98 billion for the same prior-year period, while international affiliate revenues decreased 9% to $311 million from $341 million for the first six months of 2019, including the unfavorable impact of foreign exchange rate changes of 6 percentage points.

Content Licensing

Content licensing revenues for the three months ended June 30, 2020 remained relatively flat and for the six months ended June 30, 2020 increased 4%, as the licensing of the domestic streaming rights to *South Park* to an SVOD provider was offset by a lower volume of licensing in each of the current-year periods. The lower volume was primarily the result of the benefit to the prior-year periods from several significant licensing agreements for library programming, the timing of deliveries, and production shutdowns that began in March 2020 and continued throughout the second quarter because of COVID-19.

Theatrical

Theatrical revenues for the three and six months ended June 30, 2020 were impacted by the closure of movie theaters throughout the second quarter in response to COVID-19.

(Tabular dollars in millions, except per share amounts)

Publishing

For the three and six months ended June 30, 2020, publishing revenues decreased 8% and 3%, respectively, driven by lower print book sales mainly reflecting the impacts of COVID-19, including fewer new releases in the second quarter of 2020 due to their postponement to later in the year and weakness in the retail market. The decline was partially offset by growth in sales of electronic and digital audio books.

Other

For the three and six months ended June 30, 2020, other revenues decreased 34% and 25%, respectively, primarily reflecting lower revenues from the rental of our production facilities as a result of the shutdown of production studios due to COVID-19.

Operating Expenses

	Three Months Ended June 30,					
Operating Expenses by Type	**2020**	**% of Operating Expenses**	**2019**	**% of Operating Expenses**	**Increase/(Decrease) $**	**%**
Production	$ 1,491	43%	$ 1,815	43%	$ (324)	(18)%
Programming	713	20	925	22	(212)	(23)
Participation, distribution and royalty	618	18	923	22	(305)	(33)
Programming charges	121	3	—	—	121	n/m
Other	542	16	547	13	(5)	(1)
Total Operating Expenses	$ 3,485	100%	$ 4,210	100%	$ (725)	(17)%

	Six Months Ended June 30,					
Operating Expenses by Type	**2020**	**% of Operating Expenses**	**2019**	**% of Operating Expenses**	**Increase/(Decrease) $**	**%**
Production	$ 3,145	42%	$ 3,311	39%	$ (166)	(5)%
Programming	1,686	22	2,375	28	(689)	(29)
Participation, distribution and royalty	1,496	20	1,712	20	(216)	(13)
Programming charges	121	2	—	—	121	n/m
Other	1,102	14	1,060	13	42	4
Total Operating Expenses	$ 7,550	100%	$ 8,458	100%	$ (908)	(11)%

n/m - not meaningful

Production

For the three and six months ended June 30, 2020, the decreases in production expenses of 18% and 5%, respectively, reflect lower costs associated with the mix of titles licensed under television licensing arrangements, as well as the impact of COVID-19, which resulted in the absence of theatrical releases in the second quarter of 2020, the cancellation and postponement of live events, and the broadcast of fewer episodes of original programming on our broadcast networks.

Programming

For the three months ended June 30, 2020, the 23% decrease in programming expenses was driven by lower sports programming costs resulting from the comparison against CBS' broadcast of the national semifinals and championship games of the NCAA Tournament in the second quarter of 2019, and the postponement and cancellation of professional golf tournaments as a result of concerns around COVID-19. These NCAA Tournament games are broadcast on CBS every other year through 2032 under agreements with the NCAA and Turner. The decline also reflects the broadcast of fewer original programs on our broadcast networks, as a result of COVID-19 related production shutdowns, and the mix of programming.

(Tabular dollars in millions, except per share amounts)

For the six months ended June 30, 2020, the 29% decrease in programming expenses was driven by lower sports programming costs, reflecting CBS' broadcasts of the Super Bowl and the NCAA Tournament in the first quarter of 2019 and the above-mentioned noncomparable sporting events. The Super Bowl is broadcast on CBS on a rotating basis with other networks through the 2022 season under the current contract with the NFL. The 2020 NCAA Tournament was canceled as a result of concerns about COVID-19. The decline also reflects the broadcast of fewer original programs on our broadcast networks, as a result of COVID-19 related production shutdowns, and the mix of programming.

Participation, Distribution and Royalty

For the three and six months ended June 30, 2020, participation, distribution and royalty costs decreased 33% and 13%, respectively, reflecting higher distribution costs in the prior-year periods to support theatrical releases, including *Rocketman*, while the current-year periods were impacted by the postponement of films from theatrical release due to COVID-19. Participation and residuals costs associated with television licensing revenues were also lower for the three and six months ended June 30, 2020 compared with the same prior-year periods, reflecting the mix of titles licensed in each period.

Programming Charges

During the three and six months ended June 30, 2020, we recorded programming charges of $121 million primarily related to the abandonment of certain incomplete programs resulting from COVID-19 related production shutdowns.

Other

Other operating expenses primarily include overhead costs associated with operating departments, including compensation expense, revenue-sharing costs and costs associated with book sales, including printing and warehousing. For the three months ended June 30, 2020, other operating expenses decreased 1%. For the six months ended June 30, 2020, the increase in other operating expenses of 4% was driven by higher revenue-sharing costs associated with the growth in retransmission and digital revenues and higher costs at CBS News as a result of unscheduled news broadcasts and political coverage.

Selling, General and Administrative Expenses

	Three Months Ended June 30,			Six Months Ended June 30,		
	2020	**2019**	**Increase/(Decrease)**	**2020**	**2019**	**Increase/(Decrease)**
Selling, general and administrative expenses	$ 1,222	$ 1,371	(11)%	$ 2,563	$ 2,684	(5)%

Selling, general and administrative ("SG&A") expenses include expenses incurred for selling and marketing costs, occupancy, professional service fees and back office support, including employee compensation. For the three and six months ended June 30, 2020, SG&A expenses decreased 11% and 5%, respectively, reflecting lower advertising and promotion costs from the broadcast of fewer original programs during the second quarter and lower employee expenses reflecting lower incentive compensation and the benefit from restructuring activities. For the six-month period, these decreases were partially offset by costs associated with Pluto TV, which was acquired during the first quarter of 2019.

(Tabular dollars in millions, except per share amounts)

Depreciation and Amortization

	Three Months Ended June 30,			Six Months Ended June 30,		
	2020	2019	Increase/(Decrease)	2020	2019	Increase/(Decrease)
Depreciation and amortization	$ 124	$ 109	14%	$ 237	$ 215	10%

Depreciation and amortization expense for the three and six months ended June 30, 2020 included an impairment charge of $25 million in the *TV Entertainment* segment to write down the carrying values of FCC licenses in two markets to their fair values (see Note 4). Also included in the six months ended June 30, 2020 was accelerated depreciation of $12 million resulting from the abandonment of technology in connection with synergy plans related to the Merger. Partially offsetting these increases was lower depreciation as a result of assets that became fully depreciated during 2019.

Restructuring and Other Corporate Matters

During the three and six months ended June 30, 2020 and 2019, we recorded costs for restructuring and other corporate matters as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Severance	$ 128	$ —	$ 304	$ 98
Exit costs	6	—	32	30
Restructuring charges	134	—	336	128
Merger-related costs	10	—	41	—
Other corporate matters	14	7	14	57
Restructuring and other corporate matters	$ 158	$ 7	$ 391	$ 185

During the three and six months ended June 30, 2020, we recorded restructuring charges of $134 million and $336 million, respectively, associated with cost-transformation initiatives in connection with the Merger in an effort to reduce redundancies across our businesses. These charges primarily include severance costs and the acceleration of stock-based compensation. During the six months ended June 30, 2019, we recorded restructuring charges of $128 million primarily for severance costs associated with a restructuring plan initiated in the first quarter of 2019 under which severance payments were provided to certain eligible employees who voluntarily elected to participate. Restructuring charges for the three and six months ended June 30, 2020 and the six months ended June 30, 2019 also included exit costs resulting from the termination of contractual obligations.

In addition, for the three and six months ended June 30, 2020, we incurred merger-related costs of $10 million and $41 million, respectively, consisting of transaction-related bonuses and professional fees mainly associated with integration activities. In addition, we recorded a charge of $14 million to write down property and equipment that has been classified as held for sale to its fair value less costs to sell at June 30, 2020. During the three and six months ended June 30, 2019, we incurred costs of $7 million and $57 million, respectively, consisting of costs associated with legal proceedings involving the Company and for the six-month period, the settlement of a commercial dispute.

Gain on Sale of Assets

During the first quarter of 2019, we completed the sale of CBS Television City for $750 million, resulting in a gain of $549 million ($386 million, net of tax).

(Tabular dollars in millions, except per share amounts)

Interest Expense/Income

	Three Months Ended June 30,			Six Months Ended June 30,		
	2020	2019	Increase/(Decrease)	2020	2019	Increase/(Decrease)
Interest expense	$ (263)	$ (237)	11 %	$ (504)	$ (477)	6 %
Interest income	$ 11	$ 15	(27)%	$ 25	$ 34	(26)%

The following table presents our outstanding debt balances, excluding finance leases, and the weighted average interest rate as of June 30, 2020 and 2019:

	At June 30,			
	2020	Weighted Average Interest Rate	2019	Weighted Average Interest Rate
Total long-term debt	$ 19,930	4.78%	$ 18,273	4.70%
Other bank borrowings	$ 101	3.59%	$ —	—%

Loss on Extinguishment of Debt

For the three and six months ended June 30, 2020, the loss on extinguishment of debt of $103 million reflects a pre-tax loss associated with the early redemption of $2.43 billion of our long-term debt.

Other Items, Net

The following table presents the components of Other items, net.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Pension and postretirement benefit costs	$ (18)	$ (26)	$ (36)	$ (53)
Foreign exchange (losses) gains	(9)	2	(25)	(3)
Gain from equity securities	32	28	32	66
Gain on sale of investment	—	11	—	11
Other	1	—	2	4
Other items, net	$ 6	$ 15	$ (27)	$ 25

(Provision) Benefit for Income Taxes

The (provision) benefit for income taxes represents federal, state and local, and foreign taxes on earnings from continuing operations before income taxes and equity in loss of investee companies. For the three and six months ended June 30, 2020, we recorded a provision for income taxes of $202 million and $339 million, reflecting effective income tax rates of 21.6% and 21.3%, respectively.

For the three and six months ended June 30, 2019, we recorded a provision for income taxes of $241 million and a benefit of $135 million, reflecting effective income tax rates of 19.5% and (4.8)%, respectively. Included in the provision for income taxes for the second quarter of 2019 is a net tax benefit of $32 million principally related to the bankruptcy of an investee. This item, taken together with a provision of $5 million for restructuring and other corporate matters and gain on equity securities, reduced our effective income tax rate by 2.7 percentage points. The tax benefit for the six months ended June 30, 2019 included a deferred tax benefit of $768 million resulting from the transfer of intangible assets between our subsidiaries in connection with a reorganization of our international operations, the aforementioned tax benefit of $32 million principally related to the bankruptcy of an investee, and a tax provision of $163 million on the gain from the sale of CBS Television City. These items, taken together with a net tax benefit of $29 million for restructuring and other corporate matters and gain on equity securities, reduced the effective income tax rate by 27.0 percentage points for the six months ended June 30, 2019.

(Tabular dollars in millions, except per share amounts)

In March 2020, the U.S. government enacted tax legislation containing provisions to support businesses during the COVID-19 pandemic (the "CARES Act"), including deferment of the employer portion of certain payroll taxes, refundable payroll tax credits, and technical amendments to tax depreciation methods for qualified improvement property. The CARES Act did not have a material impact on our consolidated financial statements for the three and six months ended June 30, 2020. We do not expect the future impact of the CARES Act provisions to be material.

In March 2020, the UK government passed a resolution increasing the UK corporate income tax rate from 17% to 19% beginning April 1, 2020. The resolution received Royal Assent on July 22, 2020. Accordingly, the impact of the rate increase will be recorded in our consolidated financial statements in the third quarter of 2020. We currently estimate the impact of the rate increase to result in a net tax benefit of approximately $100 million, primarily attributable to the adjustment of our UK deferred income tax balances.

Equity in Loss of Investee Companies, Net of Tax

The following table presents equity in loss of investee companies for our equity-method investments.

	Three Months Ended June 30,			Six Months Ended June 30,		
	2020	**2019**	**Increase/(Decrease)**	**2020**	**2019**	**Increase/(Decrease)**
Equity in loss of investee companies	$ (16)	$ (28)	43 %	$ (32)	$ (51)	37 %
Tax benefit	4	7	(43)	11	12	(8)
Equity in loss of investee companies, net of tax	$ (12)	$ (21)	(43)%	$ (21)	$ (39)	(46)%

Net Earnings Attributable to Noncontrolling Interests

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	**2019**	**2020**	**2019**
Net earnings attributable to noncontrolling interests	$ 245	$ 6	$ 248	$ 11

For the three and six months ended June 30, 2020, net earnings attributable to noncontrolling interests primarily reflects our joint venture partners' share of profit from the licensing of the domestic streaming rights to *South Park* to an SVOD provider in the second quarter of 2020.

Net Earnings from Continuing Operations Attributable to ViacomCBS and Diluted EPS from Continuing Operations Attributable to ViacomCBS

	Three Months Ended June 30,			Six Months Ended June 30,		
	2020	**2019**	**Increase/(Decrease)**	**2020**	**2019**	**Increase/(Decrease)**
Net earnings from continuing operations attributable to ViacomCBS	$ 478	$ 971	(51)%	$ 986	$ 2,917	(66)%
Diluted EPS from continuing operations attributable to ViacomCBS	$ .77	$ 1.57	(51)%	$ 1.60	$ 4.73	(66)%

(Tabular dollars in millions, except per share amounts)

For the three months ended June 30, 2020, net earnings from continuing operations attributable to ViacomCBS and diluted EPS from continuing operations each decreased 51%, driven by the lower operating income, the noncontrolling interest's share of profit from the licensing of *South Park* and a loss on extinguishment of debt of $103 million in 2020. For the six months ended June 30, 2020, net earnings from continuing operations attributable to ViacomCBS and diluted EPS from continuing operations each decreased 66%, primarily driven by the lower operating income, which in 2019 included the above-mentioned gain of $549 million ($386 million, net of tax, or $.63 per diluted share) on the sale of CBS Television City, as well as the aforementioned discrete tax benefits of $800 million, or $1.30 per diluted share.

Segment Results of Operations

We present operating income (loss) excluding depreciation and amortization, stock-based compensation, costs for restructuring and other corporate matters, programming charges and gain (loss) on sale of assets, each where applicable ("Adjusted OIBDA"), as the primary measure of profit and loss for our operating segments in accordance with FASB guidance for segment reporting. We believe the presentation of Adjusted OIBDA is relevant and useful for investors because it allows investors to view segment performance in a manner similar to the primary method used by our management and enhances their ability to understand our operating performance. Stock-based compensation is excluded from our segment measure of profit and loss because it is set and approved by our Board of Directors in consultation with corporate executive management. Stock-based compensation is included as a component of our consolidated Adjusted OIBDA. The reconciliation of Adjusted OIBDA to our consolidated net earnings is presented in Note 14 to the consolidated financial statements.

Three Months Ended June 30, 2020 and 2019

	Three Months Ended June 30,					
					Increase/(Decrease)	
	2020	% of Total Revenues	2019	% of Total Revenues	$	%
Revenues:						
TV Entertainment	$ 2,287	36 %	$ 2,938	41 %	$ (651)	(22)%
Cable Networks	3,232	52	3,176	45	56	2
Filmed Entertainment	647	10	877	12	(230)	(26)
Publishing	200	3	218	3	(18)	(8)
Corporate/Eliminations	(91)	(1)	(66)	(1)	(25)	(38)
Total Revenues	$ 6,275	100 %	$ 7,143	100 %	$ (868)	(12)%

(Tabular dollars in millions, except per share amounts)

	Three Months Ended June 30,			
			Increase/(Decrease)	
	2020	**2019**	**$**	**%**
Adjusted OIBDA:				
TV Entertainment	$ 392	$ 613	$ (221)	(36)%
Cable Networks	1,285	989	296	30
Filmed Entertainment	116	95	21	22
Publishing	38	35	3	9
Corporate/Eliminations	(97)	(120)	23	19
Stock-based compensation	(45)	(50)	5	10
Total Adjusted OIBDA	1,689	1,562	127	8
Depreciation and amortization	(124)	(109)	(15)	(14)
Restructuring and other corporate matters	(158)	(7)	(151)	n/m
Programming charges	(121)	—	(121)	n/m
Total Operating Income	$ 1,286	$ 1,446	$ (160)	(11)%

n/m - not meaningful

	Six Months Ended June 30,					
	2020	**% of Total Revenues**	**2019**	**% of Total Revenues**	**Increase/(Decrease) $**	**%**
Revenues:						
TV Entertainment	$ 5,234	40 %	$ 6,344	44 %	$ (1,110)	(17)%
Cable Networks	6,090	47	6,078	43	12	—
Filmed Entertainment	1,458	11	1,607	11	(149)	(9)
Publishing	370	3	382	3	(12)	(3)
Corporate/Eliminations	(208)	(1)	(168)	(1)	(40)	(24)
Total Revenues	$ 12,944	100 %	$ 14,243	100 %	$ (1,299)	(9)%

	Six Months Ended June 30,			
			Increase/(Decrease)	
	2020	**2019**	**$**	**%**
Adjusted OIBDA:				
TV Entertainment	$ 965	$ 1,355	$ (390)	(29)%
Cable Networks	2,079	1,882	197	10
Filmed Entertainment	143	133	10	8
Publishing	57	54	3	6
Corporate/Eliminations	(193)	(222)	29	13
Stock-based compensation	(99)	(101)	2	2
Total Adjusted OIBDA	2,952	3,101	(149)	(5)
Depreciation and amortization	(237)	(215)	(22)	(10)
Restructuring and other corporate matters	(391)	(185)	(206)	n/m
Programming charges	(121)	—	(121)	n/m
Gain on sale of assets	—	549	(549)	n/m
Total Operating Income	$ 2,203	$ 3,250	$ (1,047)	(32)%

n/m - not meaningful

(Tabular dollars in millions, except per share amounts)

TV Entertainment (CBS Television Network, CBS Television Studios, CBS Television Distribution, CBS Interactive, CBS Sports Network, CBS Television Stations and CBS-branded streaming services CBS All Access and CBSN, among others)

Three Months Ended June 30, 2020 and 2019

	Three Months Ended June 30,			
			Increase/(Decrease)	
Entertainment	**2020**	**2019**	**$**	**%**
Advertising	$ 951	$ 1,309	$ (358)	(27)%
Affiliate	751	616	135	22
Content licensing	544	966	(422)	(44)
Other	41	47	(6)	(13)
Revenues	$ 2,287	$ 2,938	$ (651)	(22)%
Adjusted OIBDA	$ 392	$ 613	$ (221)	(36)%

Revenues

For the three months ended June 30, 2020, the 22% decrease in *TV Entertainment* revenues was mainly driven by lower advertising and content licensing revenues, including from the impact of COVID-19 on our business, partially offset by growth in affiliate revenues.

Advertising

The 27% decrease in advertising revenues was driven by the adverse effects of COVID-19, including lower demand in the advertising market and the cancellation and postponement of professional golf tournaments scheduled for broadcast by the CBS Television Network. The decrease also reflects the comparison against CBS' broadcast of the national semifinals and championship games of the NCAA Tournament in the second quarter of 2019. These games are broadcast by the CBS Television Network every other year through 2032 under agreements with the NCAA and Turner.

Affiliate

Affiliate revenues grew 22%, reflecting 19% growth in station affiliation fees and retransmission revenues, as well as subscriber growth at CBS All Access.

Content Licensing

Content licensing revenues decreased 44% mainly due to the benefit to the prior-year period from several significant licensing agreements for library programming, as well as fewer deliveries of our programming during the current-year period as a result of production shutdowns related to COVID-19 and the timing of deliveries of programs produced for third parties.

Other

Other revenues decreased 13%, primarily reflecting lower revenues from the rental of our production facilities as a result of production shutdowns due to COVID-19.

(Tabular dollars in millions, except per share amounts)

Adjusted OIBDA

Adjusted OIBDA decreased 36%, mainly as a result of the revenue decline, partially offset by lower production and programming costs resulting from production shutdowns due to COVID-19 and the mix of primetime programming. Advertising and promotion costs were also lower, reflecting the broadcast of fewer original programs due to COVID-19.

Six Months Ended June 30, 2020 and 2019

	Six Months Ended June 30,			
			Increase/(Decrease)	
TV Entertainment	**2020**	**2019**	**$**	**%**
Advertising	$ 2,332	$ 3,276	$ (944)	(29)%
Affiliate	1,485	1,227	258	21
Content licensing	1,341	1,747	(406)	(23)
Other	76	94	(18)	(19)
Revenues	$ 5,234	$ 6,344	$ (1,110)	(17)%
Adjusted OIBDA	$ 965	$ 1,355	$ (390)	(29)%

Revenues

For the six months ended June 30, 2020, the 17% decrease in *TV Entertainment* revenues was mainly driven by the comparison against CBS' broadcasts of tentpole sporting events in 2019, the impact of COVID-19 on our business during the second quarter of 2020, including weakness in the advertising market, and lower content licensing revenues partially offset by growth in affiliate revenues.

Advertising

The 29% decrease in advertising revenues was driven by the aforementioned impact of COVID-19 during the second quarter of 2020, as well as the comparison against CBS' broadcasts of *Super Bowl LIII* and the NCAA Tournament in 2019. The Super Bowl is broadcast on the CBS Television Network on a rotating basis with other networks through the 2022 season under the current contract with the NFL. The 2020 NCAA Tournament, which was scheduled to be broadcast by CBS in the first quarter of 2020, was canceled as a result of concerns about COVID-19. In addition, the national semifinals and championship games of the NCAA Tournament, which are broadcast by CBS every other year through 2032 under agreements with the NCAA and Turner, were broadcast on CBS in the second quarter of 2019.

Affiliate

Affiliate revenues grew 21%, reflecting 19% growth in station affiliation fees and retransmission revenues, as well as subscriber growth at CBS All Access.

Content Licensing

Content licensing revenues decreased 23%, mainly due to the benefit to the prior-year period from several significant licensing agreements for library programming, as well as fewer deliveries of our programming during the current-year period as a result of production shutdowns related to COVID-19 and the timing of deliveries.

(Tabular dollars in millions, except per share amounts)

Other

Other revenues decreased 19%, primarily reflecting lower revenues from the rental of our production facilities as a result of production shutdowns during the second quarter of 2020 due to COVID-19 and the sale of CBS Television City in January 2019.

Adjusted OIBDA

Adjusted OIBDA decreased 29% driven by the impact of COVID-19 on our advertising revenues, the comparison against the broadcast of major sporting events in the first six months of 2019 and lower profits from content licensing. These decreases were partially offset by the increase in affiliate revenues and lower production and programming costs as a result of production shutdowns due to COVID-19 and the mix of programming.

Cable Networks (Showtime Networks, Nickelodeon, MTV, BET, Comedy Central, Paramount Network, Nick Jr., VH1, TV Land, CMT, Pop TV, Smithsonian Networks, ViacomCBS Networks International, Network 10, Channel 5, Telefe and Pluto TV)

Three Months Ended June 30, 2020 and 2019

	Three Months Ended June 30,			
			Increase/(Decrease)	
Cable Networks	**2020**	**2019**	**$**	**%**
Advertising	$ 992	$ 1,347	$ (355)	(26)%
Affiliate	1,443	1,539	(96)	(6)
Content licensing	797	290	507	175
Revenues	$ 3,232	$ 3,176	$ 56	2 %
Adjusted OIBDA	$ 1,285	$ 989	$ 296	30 %

Revenues

For the three months ended June 30, 2020, *Cable Networks* revenues increased 2% from the same prior-year period, reflecting the licensing of the domestic streaming rights of *South Park* to an SVOD provider, which was partially offset by weakness in the advertising market as a result of COVID-19 as well as lower affiliate revenues. Domestic revenues increased 8% while international revenues decreased 22%, including a 3-percentage point unfavorable impact of foreign exchange rate changes.

Advertising

The 26% decrease in advertising revenues was primarily driven by the adverse effects of COVID-19. Domestic advertising revenues decreased 21% reflecting lower linear impressions, including from weakness in the advertising market as a result of COVID-19, partially offset by growth from streaming and digital video advertising and higher pricing. International advertising revenues decreased 43%, primarily reflecting weakness in the advertising market as well as the unfavorable impact of foreign exchange rate changes of 4 percentage points.

Affiliate

Affiliate revenues decreased 6% from the same prior-quarter period. Domestic affiliate revenues decreased 6%, primarily driven by declines in traditional MVPD subscribers at our cable networks, partially offset by growth from our owned subscription services, including Showtime OTT and BET+, which was launched in September 2019. International affiliate revenues decreased 5%, including a 3-percentage point unfavorable impact of foreign exchange rate changes. As of June 30, 2020, Showtime subscriptions, including Showtime OTT, totaled approximately 27 million.

(Tabular dollars in millions, except per share amounts)

Content Licensing

The increase in content licensing revenues was primarily the result of growth from the licensing of programming to SVOD providers, mainly for the domestic streaming rights to *South Park*.

Adjusted OIBDA

Adjusted OIBDA increased 30%, driven by lower programming costs primarily due to scheduling changes and the cancellation and postponement of live events as a result of COVID-19, lower advertising and promotion costs resulting from the broadcast of fewer original programs during the quarter, lower employee costs reflecting the benefit from restructuring activities and the increase in revenues.

Six Months Ended June 30, 2020 and 2019

	Six Months Ended June 30,			
			Increase/(Decrease)	
Cable Networks	**2020**	**2019**	**$**	**%**
Advertising	$ 2,109	$ 2,462	$ (353)	(14)%
Affiliate	2,906	3,093	(187)	(6)
Content licensing	1,075	523	552	106
Revenues	$ 6,090	$ 6,078	$ 12	— %
Adjusted OIBDA	$ 2,079	$ 1,882	$ 197	10 %

Revenues

For the six months ended June 30, 2020, *Cable Networks* revenues increased slightly from the same prior-year period, as the benefit from the domestic licensing of *South Park* was mostly offset by weakness in the advertising market as a result of COVID-19 and lower affiliate revenues. Domestic revenues increased 4% while international revenues decreased 15%, including a 5-percentage point unfavorable impact of foreign exchange rate changes.

Advertising

Advertising revenues decreased 14% primarily driven by the adverse effects of COVID-19 in the second quarter of 2020. Domestic advertising revenues decreased 9%, reflecting lower linear impressions, including the effects of weakness in the advertising market as a result of COVID-19. These decreases were partially offset by growth from streaming and digital video advertising, including revenues from Pluto TV, which was acquired in March 2019 as well as the consolidation of Pop TV beginning in March 2019, when we acquired the 50% interest we did not own. International advertising revenues decreased 29%, primarily reflecting weakness in the advertising market and the unfavorable impact of foreign exchange rate changes of 6 percentage points.

Affiliate

Affiliate revenues decreased 6%, which included a 1-percentage point unfavorable impact from foreign exchange rate changes. Domestic affiliate revenues decreased 6%, primarily driven by declines in traditional MVPD subscribers at our cable networks. These declines were partially offset by growth from our owned subscription services, including Showtime OTT and BET+, and the inclusion of the results of Pop TV. International affiliate revenues decreased 9%, including a 6-percentage point unfavorable impact of foreign exchange rate changes.

(Tabular dollars in millions, except per share amounts)

Content Licensing

The increase in content licensing revenues was primarily the result of growth from the licensing of programming to SVOD providers, mainly from *South Park.*

Adjusted OIBDA

Adjusted OIBDA increased 10%, driven by lower programming costs primarily due to scheduling changes and the cancellation and postponement of live events as a result of COVID-19, lower advertising and promotion costs due to the broadcast of fewer original programs, and lower employee costs reflecting the benefit from restructuring activities. These cost decreases were partially offset by incremental costs associated with Pluto TV and Pop TV, which were acquired in the first quarter of 2019.

Filmed Entertainment (Paramount Pictures, Paramount Players, Paramount Animation, Paramount Television Studios, and Miramax)

Three Months Ended June 30, 2020 and 2019

	Three Months Ended June 30,			
			Increase/(Decrease)	
Filmed Entertainment	**2020**	**2019**	**$**	**%**
Theatrical	$ 3	$ 152	$ (149)	(98)%
Home entertainment	209	161	48	30
Licensing	434	540	(106)	(20)
Other	1	24	(23)	(96)
Revenues	$ 647	$ 877	$ (230)	(26)%
Adjusted OIBDA	$ 116	$ 95	$ 21	22 %

Revenues

For the three months ended June 30, 2020, *Filmed Entertainment* revenues decreased 26% as a result of the closure of movie theaters throughout the second quarter of 2020 and the timing of licensing revenues.

Theatrical

Theatrical revenues for the three months ended June 30, 2020 were impacted by the closure of movie theaters throughout the second quarter of 2020 in response to COVID-19.

Home Entertainment

The 30% increase in home entertainment revenues was driven by the mix of titles in release and higher sales of catalog titles. The current quarter benefited from the strong performance of *Sonic the Hedgehog* in the home entertainment market.

Licensing

The 20% decrease in licensing revenues was due to lower revenues from the licensing of catalog titles and the timing of deliveries of programs produced for third parties. Foreign exchange rate changes had a 1-percentage point unfavorable impact on the licensing revenue comparison.

(Tabular dollars in millions, except per share amounts)

Adjusted OIBDA

Adjusted OIBDA increased 22%, reflecting lower distribution costs resulting from the absence of theatrical releases during the three months ended June 30, 2020 as compared to the prior-year period, which included costs associated with theatrical releases, including *Rocketman.* The increase also reflects the strong performance of *Sonic the Hedgehog* in the home entertainment market and lower incentive compensation, partially offset by lower licensing revenues. Fluctuations in results for the *Filmed Entertainment* segment may occur as a result of the timing of the recognition of distribution costs, including print and advertising, which are generally incurred before and throughout the theatrical release of a film, while the revenues for the respective film are recognized as earned through the film's theatrical exhibition and subsequent distribution windows.

Six Months Ended June 30, 2020 and 2019

	Six Months Ended June 30,			
			Increase/(Decrease)	
Filmed Entertainment	**2020**	**2019**	**$**	**%**
Theatrical	$ 170	$ 324	$ (154)	(48)%
Home entertainment	383	315	68	22
Licensing	876	915	(39)	(4)
Other	29	53	(24)	(45)
Revenues	$ 1,458	$ 1,607	$ (149)	(9)%
Adjusted OIBDA	$ 143	$ 133	$ 10	8 %

Revenues

For the six months ended June 30, 2020, the 9% decrease in *Filmed Entertainment* revenues primarily reflects the closure of movie theaters throughout the second quarter of 2020 in response to COVID-19.

Theatrical

Theatrical revenues decreased 48% as a result of the closure of movie theaters throughout the second quarter of 2020 in response to COVID-19. Theatrical revenues during the current year benefited from the theatrical release of *Sonic the Hedgehog* in the first quarter, while the prior year benefited from the second quarter releases of *Rocketman* and *Pet Sematary* and the 2018 release of *Bumblebee.* Foreign exchange rate changes had a 1-percentage point unfavorable impact on the theatrical revenues comparison.

Home Entertainment

The 22% increase in home entertainment revenues was driven by the mix of titles in release and higher sales of catalog titles. For the six months ended June 30, 2020, revenues benefited from the release of *Sonic the Hedgehog* and *Terminator: Dark Fate,* while the prior-year period benefited from *Bumblebee* and *Mission: Impossible-Fallout*.

Licensing

The 4% decrease in licensing revenues was primarily due to lower revenues from the licensing of films to SVOD providers, driven by catalog titles partially offset by the benefit from the current year SVOD release of *Lovebirds*, and lower revenues from the licensing of music rights. These decreases were partially offset by higher revenues from the production of television programming for third parties, mainly *Defending Jacob.*

(Tabular dollars in millions, except per share amounts)

Adjusted OIBDA

Adjusted OIBDA increased 8% as the revenue decline was more than offset by lower distribution costs resulting from the absence of theatrical releases in the second quarter of 2020 and lower incentive compensation. Fluctuations in results for the *Filmed Entertainment* segment may occur as a result of the timing of the recognition of distribution costs, including print and advertising, which are generally incurred before and throughout the theatrical release of a film, while the revenues for the respective film are recognized as earned through the film's theatrical exhibition and subsequent distribution windows.

Publishing (Simon & Schuster)

Three Months Ended June 30, 2020 and 2019

	Three Months Ended June 30,			
			Increase/(Decrease)	
Publishing	**2020**	**2019**	**$**	**%**
Revenues	$ 200	$ 218	$ (18)	(8)%
Adjusted OIBDA	$ 38	$ 35	$ 3	9 %

Revenues

For the three months ended June 30, 2020, the 8% decrease in revenues was primarily driven by lower print book sales mainly reflecting the impacts of COVID-19, including fewer new releases in the second quarter of 2020 due to their postponement to later in the year and weakness in the retail market. These increases were partially offset by higher digital audio and electronic book sales. Bestselling titles for the second quarter of 2020 included *The Room Where It Happened* by John Bolton and *If It Bleeds* by Stephen King.

Adjusted OIBDA

Adjusted OIBDA increased 9%, as the decrease in revenues was more than offset by lower production and distribution costs associated with the lower print book sales and the mix of titles.

Six Months Ended June 30, 2020 and 2019

	Six Months Ended June 30,			
			Increase/(Decrease)	
Publishing	**2020**	**2019**	**$**	**%**
Revenues	$ 370	$ 382	$ (12)	(3)%
Adjusted OIBDA	$ 57	$ 54	$ 3	6 %

Revenues

For the six months ended June 30, 2020, the 3% decrease in revenues was primarily driven by lower print book sales mainly reflecting the impacts of COVID-19, including fewer new releases in the second quarter of 2020 due to their postponement to later in the year and weakness in the retail market. These increases were partially offset by higher digital audio and electronic book sales.

Adjusted OIBDA

Adjusted OIBDA increased 6%, as the decrease in revenues was more than offset by lower production and distribution costs associated with the lower print book sales and the mix of titles.

Liquidity and Capital Resources

Sources and Uses of Cash

We project anticipated cash requirements for our operating, investing and financing needs as well as cash flows generated from operating activities available to meet these needs. Our operating needs include, among other items, commitments for sports programming rights, television and film programming, talent contracts, leases, interest payments, income tax payments and pension funding obligations. Our investing and financing spending includes capital expenditures, investments and acquisitions, share repurchases, dividends and principal payments on our outstanding indebtedness. We believe that our operating cash flows; cash and cash equivalents; borrowing capacity under our $3.50 billion Credit Facility described below, as well as access to capital markets are sufficient to fund our operating, investing and financing requirements for the next twelve months.

Our funding for short-term and long-term obligations will come primarily from cash flows from operating activities. Any additional cash funding requirements are financed with short-term borrowings, including commercial paper and long-term debt. To the extent that commercial paper is not available to us, the Credit Facility provides sufficient capacity to satisfy short-term borrowing needs. We routinely assess our capital structure and opportunistically enter into transactions to lower our interest expense, which could result in a charge from the early extinguishment of debt.

Funding for our long-term debt obligations due over the next five years of $5.54 billion as of June 30, 2020 is expected to come from our ability to refinance our debt and cash generated from operating activities. During the second quarter of 2020, we issued $4.50 billion of senior notes with interest rates ranging from 4.20% to 4.95% and due dates from 2025 to 2050. The net proceeds from these issuances are being used for the redemption of our long-term debt as well as for general corporate purposes. During the second quarter of 2020, we redeemed senior notes, debentures, and junior subordinated debentures of $2.43 billion, prior to maturity, for a redemption price of $2.52 billion. On July 10, 2020, we fully redeemed the remaining $340 million of our outstanding 3.875% senior notes due December 2021.

The ongoing impact of COVID-19 could have a negative effect on our financial condition or our ability to fund operations or future investment opportunities due to an increase in the cost of, or difficulty in, obtaining debt or equity financing, or our ability to comply with the leverage covenant in our Credit Facility in the future. The magnitude of the impact could be material to our business, financial condition and results of operations and will depend on numerous evolving factors that we may not be able to accurately predict, including the duration and extent of the pandemic, the impact of federal, state, local and foreign governmental actions, consumer behavior in response to the pandemic and such governmental actions, and the economic and operating conditions that we may face in the aftermath of COVID-19.

(Tabular dollars in millions, except per share amounts)

Cash Flows

The changes in cash, cash equivalents and restricted cash were as follows:

	Six Months Ended June 30,		
	2020	**2019**	**Increase/(Decrease)**
Cash flow provided by operating activities	$ 1,151	$ 1,189	$ (38)
Cash flow (used for) provided by investing activities	(187)	120	(307)
Cash flow provided by (used for) financing activities	649	(1,227)	1,876
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(17)	2	(19)
Net increase in cash, cash equivalents and restricted cash	$ 1,596	$ 84	$ 1,512

Operating Activities. For the six months ended June 30, 2020, the decrease in cash flow provided by operating activities was primarily driven by lower revenues, including from the impact of COVID-19 and the comparison against the broadcast of the Super Bowl in the first quarter of 2019, and higher payments for restructuring and merger-related costs. These decreases were offset by lower programming and production spending resulting from COVID-19 related production shutdowns and lower payments for income taxes in the first half of 2020. Operating cash flow included payments for restructuring and merger-related costs of $351 million for the six months ended June 30, 2020 compared to $101 million in the same prior-year period. Cash paid for income taxes decreased to $100 million for the six months ended June 30, 2020 from $498 million for the prior-year period. The decrease was primarily due to a payment in 2019 as a result of guidance issued by the United States government in January 2019 relating to the transition tax on cumulative foreign earnings and profits that resulted from the enactment of federal tax legislation in December 2017. Cash taxes for 2020 benefited from the deferral of estimated federal income tax payments in the first half of 2020 as a result of tax relief granted by the United States government during the COVID-19 pandemic.

Investing Activities

	Six Months Ended June 30,	
	2020	**2019**
Investments [(a)]	$ (60)	$ (132)
Capital expenditures	(132)	(142)
Acquisitions, net of cash acquired [(b)]	(141)	(361)
Proceeds from dispositions [(c)]	146	751
Other investing activities	—	4
Cash flow (used for) provided by investing activities	$ (187)	$ 120

(a) Primarily includes our investment in The CW.

(b) 2020 primarily reflects the acquisition of Miramax, a global film and television studio. 2019 reflects the acquisition of Pluto Inc. and the remaining 50% interest in Pop TV, a general entertainment cable network.

(c) 2020 reflects the sale of marketable securities. 2019 reflects the sale of CBS Television City.

(Tabular dollars in millions, except per share amounts)

Financing Activities

	Six Months Ended June 30,	
	2020	2019
Repayments of short-term debt borrowings, net	$ (698)	$ (674)
Proceeds from issuance of senior notes	4,370	493
Repayment of notes and debentures	(2,535)	(600)
Dividends	(301)	(299)
Repurchase of the Company's Class B Common Stock	(58)	(14)
Payment of payroll taxes in lieu of issuing shares for stock-based compensation	(59)	(52)
Other financing activities	(70)	(81)
Cash flow provided by (used for) financing activities	$ 649	$ (1,227)

Free Cash Flow

Free cash flow is a non-GAAP financial measure. Free cash flow reflects our net cash flow provided by operating activities less capital expenditures. Our calculation of free cash flow includes capital expenditures because investment in capital expenditures is a use of cash that is directly related to our operations. Our net cash flow provided by operating activities is the most directly comparable GAAP financial measure.

Management believes free cash flow provides investors with an important perspective on the cash available to us to service debt, make strategic acquisitions and investments, maintain our capital assets, satisfy our tax obligations, and fund ongoing operations and working capital needs. As a result, free cash flow is a significant measure of our ability to generate long-term value. It is useful for investors to know whether this ability is being enhanced or degraded as a result of our operating performance. We believe the presentation of free cash flow is relevant and useful for investors because it allows investors to evaluate the cash generated from our underlying operations in a manner similar to the method used by management. Free cash flow is among several components of incentive compensation targets for certain management personnel. In addition, free cash flow is a primary measure used externally by our investors, analysts and industry peers for purposes of valuation and comparison of our operating performance to other companies in our industry.

As free cash flow is not a measure calculated in accordance with GAAP, free cash flow should not be considered in isolation of, or as a substitute for, either net cash flow provided by operating activities as a measure of liquidity or net earnings as a measure of operating performance. Free cash flow, as we calculate it, may not be comparable to similarly titled measures employed by other companies. In addition, free cash flow as a measure of liquidity has certain limitations, does not necessarily represent funds available for discretionary use and is not necessarily a measure of our ability to fund our cash needs.

The following table presents a reconciliation of our net cash flow provided by operating activities to free cash flow.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Net cash flow provided by operating activities (GAAP)	$ 795	$ 260	$ 1,151	$ 1,189
Capital expenditures	(81)	(75)	(132)	(142)
Free cash flow (Non-GAAP)	$ 714	$ 185	$ 1,019	$ 1,047

(Tabular dollars in millions, except per share amounts)

Dividends

During the second quarter of 2020, we declared a quarterly cash dividend of $.24 per share on our Class A and Class B Common Stock, resulting in total dividends of $150 million, which were paid on July 1, 2020.

Share Repurchase Program

During the six months ended June 30, 2020, we repurchased 1.3 million shares of ViacomCBS Class B Common Stock under our share repurchase program for $50 million, at an average cost of $38.63 per share. At June 30, 2020, $2.36 billion of authorization remained under the share repurchase program.

Capital Structure

The following table sets forth our debt.

	At June 30, 2020	At December 31, 2019
Commercial paper	$ —	$ 699
Senior debt (2.250%-7.875% due 2021-2050)	18,773	16,690
Junior debt (5.875%-6.25% due 2057)	1,157	1,286
Other bank borrowings	101	—
Obligations under finance leases	37	44
Total debt [(a)]	20,068	18,719
Less commercial paper and other short-term borrowings	6	699
Less current portion of long-term debt	358	18
Total long-term debt, net of current portion	$ 19,704	$ 18,002

(a) At June 30, 2020 and December 31, 2019, the long-term debt balances included (i) a net unamortized discount of $503 million and $412 million, respectively, (ii) unamortized deferred financing costs of $112 million and $92 million, respectively, and (iii) a decrease in the carrying value of the debt relating to previously settled fair value hedges of $5 million and $6 million, respectively. The face value of our total debt was $20.69 billion and $19.23 billion at June 30, 2020 and December 31, 2019, respectively.

During the second quarter of 2020, we issued $4.50 billion of senior notes with interest rates ranging from 4.20% to 4.95% and due dates from 2025 to 2050. The net proceeds from these issuances are being used for the redemption of our long-term debt as well as for general corporate purposes. During the second quarter of 2020, we redeemed senior notes, debentures, and junior subordinated debentures of $2.43 billion, prior to maturity, for a redemption price of $2.52 billion. As a result, we recognized a pre-tax loss on extinguishment of debt of $103 million, net of $15 million of unamortized debt issuance costs and fees. On July 10, 2020, we fully redeemed the remaining $340 million of our outstanding 3.875% senior notes due December 2021.

Our 5.875% junior subordinated debentures due February 2057 and 6.25% junior subordinated debentures due February 2057 accrue interest at the stated fixed rates until February 28, 2022 and February 28, 2027, respectively, on which dates the rates will switch to floating rates based on three-month LIBOR plus 3.895% and 3.899%, respectively, reset quarterly. These debentures can be called by us at any time after the expiration of the fixed-rate period.

Commercial Paper

In January 2020, our commercial paper program was increased to $3.50 billion from $2.50 billion in conjunction with the new $3.50 billion revolving credit facility described below. At June 30, 2020, we had no outstanding commercial paper borrowings under our commercial paper program. At December 31, 2019, we had $699 million of outstanding commercial paper borrowings with maturities of less than 90 days and a weighted average interest rate of 2.07%.

Credit Facility

In January 2020, the $2.50 billion revolving credit facility held by CBS prior to the Merger (the “CBS Credit Facility”), with a maturity in June 2021, was terminated and the $2.50 billion revolving credit facility held by Viacom prior to the Merger (the “Viacom Credit Facility”), with a maturity in February 2024, was amended and restated to a $3.50 billion revolving credit facility with a maturity in January 2025 (the “Credit Facility”). The Credit Facility is used for general corporate purposes and to support commercial paper outstanding, if any. We may, at our option, also borrow in certain foreign currencies up to specified limits under the Credit Facility. Borrowing rates under the Credit Facility are determined at the time of each borrowing and are generally based on either the prime rate in the U.S. or LIBOR plus a margin based on our senior unsecured debt rating, depending on the type and tenor of the loans entered. The Credit Facility has one principal financial covenant that requires our Consolidated Total Leverage Ratio to be less than 4.5x (which we may elect to increase to 5.0x for up to four consecutive quarters following a qualified acquisition) at the end of each quarter. The Consolidated Total Leverage Ratio reflects the ratio of our Consolidated Indebtedness at the end of a quarter, to our Consolidated EBITDA (each as defined in the amended credit agreement) for the trailing twelve-month period. We met the covenant as of June 30, 2020.

At June 30, 2020, we had no borrowings outstanding under the Credit Facility and the remaining availability under the Credit Facility, net of outstanding letters of credit, was $3.50 billion.

Other Bank Borrowings

At June 30, 2020, we had $101 million of bank borrowings with a weighted average interest rate of 3.59%. These borrowings consisted primarily of amounts outstanding under Miramax’s $300 million credit facility, which matures in April 2023.

Guarantees

Letters of Credit and Surety Bonds. We have indemnification obligations with respect to letters of credit and surety bonds primarily used as security against non-performance in the normal course of business. At June 30, 2020, the outstanding letters of credit and surety bonds approximated $135 million and were not recorded on the Consolidated Balance Sheet.

CBS Television City. In connection with the sale of CBS Television City in 2019, we guaranteed a specified level of cash flows to be generated by the business during the first five years following the completion of the sale. Included in “Other current liabilities” and “Other liabilities” on the Consolidated Balance Sheet at June 30, 2020 is a liability of $99 million, reflecting the present value of the estimated amount payable under the guarantee obligation.

Lease Guarantees. We have certain indemnification obligations with respect to leases primarily associated with the previously discontinued operations of Famous Players Inc. (“Famous Players”). These lease commitments amount to $72 million as of June 30, 2020 and are presented on the Consolidated Balance Sheet within “Other liabilities.” The amount of lease commitments varies over time depending on expiration or termination of individual underlying leases, or the related indemnification obligation, and foreign exchange rates, among other things. We may also have exposure for certain other expenses related to the leases, such as property taxes and common area maintenance. We believe our accrual is sufficient to meet any future obligations based on our consideration of available financial information, the lessees' historical performance in meeting their lease obligations and the underlying economic factors impacting the lessees' business models.

In the course of our business, we both provide and receive indemnities which are intended to allocate certain risks associated with business transactions. Similarly, we may remain contingently liable for various obligations of a business that has been divested in the event that a third party does not live up to its obligations under an indemnification obligation. We record a liability for our indemnification obligations and other contingent liabilities when probable and reasonably estimable.

Legal Matters

General

On an ongoing basis, we vigorously defend ourselves in numerous lawsuits and proceedings and respond to various investigations and inquiries from federal, state, local and international authorities (collectively, "litigation''). Litigation may be brought against us without merit, is inherently uncertain and always difficult to predict. However, based on our understanding and evaluation of the relevant facts and circumstances, we believe that the following matters are not likely, in the aggregate, to result in a material adverse effect on our business, financial condition and results of operations.

Litigation Relating to the Merger

Beginning on February 20, 2020, three purported CBS stockholders filed separate derivative and/or putative class action lawsuits in the Court of Chancery of the State of Delaware. On March 31, 2020, the Court consolidated the three lawsuits and appointed Bucks County Employees' Retirement Fund and International Union of Operating Engineers of Eastern Pennsylvania and Delaware as co-lead plaintiffs for the consolidated action. On April 14, 2020, the lead plaintiffs filed a Verified Consolidated Class Action and Derivative Complaint (as used in this paragraph, the "Complaint") against Shari E. Redstone, NAI, Sumner M. Redstone National Amusements Trust, members of the CBS Board of Directors (comprised of Candace K. Beinecke, Barbara M. Byrne, Gary L. Countryman, Brian Goldner, Linda M. Griego, Robert N. Klieger, Martha L. Minow, Susan Schuman, Frederick O. Terrell and Strauss Zelnick), former CBS President and Acting Chief Executive Officer Joseph Ianniello and nominal defendant ViacomCBS Inc. The Complaint alleges breaches of fiduciary duties to CBS stockholders in connection with the negotiation and approval of the Agreement and Plan of Merger dated as of August 13, 2019, as amended on October 16, 2019 (the "Merger Agreement"). The Complaint also alleges waste and unjust enrichment in connection with Mr. Ianniello's compensation. The Complaint seeks unspecified damages, costs and expenses, as well as other relief. On June 5, 2020, the defendants filed motions to dismiss. We believe that the claims are without merit and we intend to defend against them vigorously. We are currently unable to determine a range of potential liability, if any. Accordingly, no accrual for this matter has been made in our consolidated financial statements.

Beginning on November 25, 2019, four purported Viacom stockholders filed separate putative class action lawsuits in the Court of Chancery of the State of Delaware. On January 23, 2020, the Court consolidated the four lawsuits. On February 6, 2020, the Court appointed California Public Employees' Retirement System ("CalPERS") as lead plaintiff for the consolidated action. On February 28, 2020, CalPERS, together with Park Employees' and Retirement Board Employees' Annuity and Benefit Fund of Chicago and Louis M. Wilen, filed a First Amended Verified Class Action Complaint (as used in this paragraph, the "Complaint") against NAI, NAI Entertainment Holdings LLC, Shari E. Redstone, the members of the Viacom special transaction committee of the Viacom Board of Directors (comprised of Thomas J. May, Judith A. McHale, Ronald L. Nelson and Nicole Seligman) and our President and Chief Executive Officer and director, Robert M. Bakish. The Complaint alleges breaches of fiduciary duties to Viacom stockholders in connection with the negotiation and approval of the Merger Agreement. The Complaint seeks unspecified damages, costs and expenses, as well as other relief. On May 22, 2020, the defendants filed motions to dismiss. We believe that the claims are without merit and we intend to defend against them vigorously. We are currently unable to determine a range of potential liability, if any. Accordingly, no accrual for this matter has been made in our consolidated financial statements.

Investigation-Related Matters

As announced on August 1, 2018, the CBS Board of Directors retained two law firms to conduct a full investigation of the allegations in press reports about CBS' former Chairman of the Board, President and Chief Executive Officer, Leslie Moonves, CBS News and cultural issues at CBS. On December 17, 2018, the CBS Board of Directors announced the completion of its investigation, certain findings of the investigation and the CBS Board of Directors' determination, discussed below, with respect to the termination of Mr. Moonves' employment. We have received subpoenas from the New York County District Attorney's Office and the New York City Commission on Human Rights regarding the subject matter of this investigation and related matters. The New York State Attorney General's Office and the United States Securities and Exchange Commission have also requested information about these matters, including with respect to CBS' related public disclosures. We may continue to receive additional related regulatory and investigative inquiries from these and other entities in the future. We are cooperating with these inquiries.

On August 27, 2018 and on October 1, 2018, Gene Samit and John Lantz, respectively, filed putative class action suits in the United States District Court for the Southern District of New York, individually and on behalf of others similarly situated, for claims that are similar to those alleged in the amended complaint described below. On November 6, 2018, the Court entered an order consolidating the two actions. On November 30, 2018, the Court appointed Construction Laborers Pension Trust for Southern California as the lead plaintiff of the consolidated action. On February 11, 2019, the lead plaintiff filed a consolidated amended putative class action complaint against CBS, certain current and former senior executives and members of the CBS Board of Directors. The consolidated action is stated to be on behalf of purchasers of CBS Class A Common Stock and Class B Common Stock between September 26, 2016 and December 4, 2018. This action seeks to recover damages arising during this time period allegedly caused by the defendants' purported violations of the federal securities laws, including by allegedly making materially false and misleading statements or failing to disclose material information, and seeks costs and expenses as well as remedies under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder. On April 12, 2019, the defendants filed motions to dismiss this action, which the Court granted in part and denied in part on January 15, 2020. With the exception of one statement made by Mr. Moonves at an industry event in November 2017, in which he allegedly was acting as the agent of CBS, all claims as to all other allegedly false and misleading statements were dismissed. We believe that the remaining claims are without merit and we intend to defend against them vigorously. We are currently unable to determine a range of potential liability, if any. Accordingly, no accrual for this matter has been made in our consolidated financial statements.

Separation Agreement

On September 9, 2018, CBS entered into a separation and settlement agreement and releases (the "Separation Agreement") with Mr. Moonves, pursuant to which Mr. Moonves resigned as a director and as Chairman of the Board, President and Chief Executive Officer of CBS. In October 2018, we contributed $120 million to a grantor trust pursuant to the Separation Agreement. On December 17, 2018, the CBS Board of Directors announced that, following its consideration of the findings of the investigation referred to above, it had determined that there were grounds to terminate Mr. Moonves' employment for cause under his employment agreement with CBS. Any dispute related to the CBS Board of Directors' determination is subject to binding arbitration as set forth in the

Separation Agreement. On January 16, 2019, Mr. Moonves commenced a binding arbitration proceeding with respect to this matter and the related CBS Board of Directors investigation, which proceeding is ongoing. The assets of the grantor trust will remain in the trust until a final determination in the arbitration. We are currently unable to determine the outcome of the arbitration and the amount, if any, that may be awarded thereunder. Accordingly, no accrual for this matter has been made in our consolidated financial statements.

Claims Related to Former Businesses: Asbestos

We are a defendant in lawsuits claiming various personal injuries related to asbestos and other materials, which allegedly occurred as a result of exposure caused by various products manufactured by Westinghouse, a predecessor, generally prior to the early 1970s. Westinghouse was neither a producer nor a manufacturer of asbestos. We are typically named as one of a large number of defendants in both state and federal cases. In the majority of asbestos lawsuits, the plaintiffs have not identified which of our products is the basis of a claim. Claims against us in which a product has been identified most commonly relate to allegations of exposure to asbestos-containing insulating material used in conjunction with turbines and electrical equipment.

Claims are frequently filed and/or settled in groups, which may make the amount and timing of settlements, and the number of pending claims, subject to significant fluctuation from period to period. We do not report as pending those claims on inactive, stayed, deferred or similar dockets that some jurisdictions have established for claimants who allege minimal or no impairment. As of June 30, 2020, we had pending approximately 31,190 asbestos claims, as compared with approximately 30,950 as of December 31, 2019. During the second quarter of 2020, we received approximately 590 new claims and closed or moved to an inactive docket approximately 480 claims. We report claims as closed when we become aware that a dismissal order has been entered by a court or when we have reached agreement with the claimants on the material terms of a settlement. Settlement costs depend on the seriousness of the injuries that form the basis of the claims, the quality of evidence supporting the claims and other factors. Our total costs for the years 2019 and 2018 for settlement and defense of asbestos claims after insurance recoveries and net of tax were approximately $58 million and $45 million, respectively. Our costs for settlement and defense of asbestos claims may vary year to year and insurance proceeds are not always recovered in the same period as the insured portion of the expenses.

Filings include claims for individuals suffering from mesothelioma, a rare cancer, the risk of which is allegedly increased by exposure to asbestos; lung cancer, a cancer which may be caused by various factors, one of which is alleged to be asbestos exposure; other cancers, and conditions that are substantially less serious, including claims brought on behalf of individuals who are asymptomatic as to an allegedly asbestos-related disease. The predominant number of pending claims against us are non-cancer claims. It is difficult to predict future asbestos liabilities, as events and circumstances may impact the estimate of our asbestos liabilities, including, among others, the number and types of claims and average cost to resolve such claims. We record an accrual for a loss contingency when it is both probable that a liability has been incurred and when the amount of the loss can be reasonably estimated. We believe that our accrual and insurance are adequate to cover our asbestos liabilities. Our liability estimate is based upon many factors, including the number of outstanding claims, estimated average cost per claim, the breakdown of claims by disease type, historic claim filings, costs per claim of resolution and the filing of new claims, as well as consultation with a third party firm on trends that may impact our future asbestos liability.

Other

From time to time we receive claims from federal and state environmental regulatory agencies and other entities asserting that we are or may be liable for environmental cleanup costs and related damages principally relating to our historical and predecessor operations. In addition, from time to time we receive personal injury claims including toxic tort and product liability claims (other than asbestos) arising from our historical operations and predecessors.

Related Parties

See Note 5 to the consolidated financial statements.

Recently Adopted Accounting Pronouncements and Accounting Pronouncements Not Yet Adopted

See Note 1 to the consolidated financial statements.

Critical Accounting Policies

See Item 7, Management's Discussion and Analysis of Results of Operations and Financial Condition in our Annual Report on Form 10-K for the fiscal year ended December 31, 2019, for a discussion of our critical accounting policies.

Cautionary Statement Concerning Forward-Looking Statements

This Quarterly Report on Form 10-Q, including "Item 2 - Management's Discussion and Analysis of Results of Operations and Financial Condition," contains 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 and section 21E of the Securities Exchange Act of 1934, as amended. Similarly, statements that describe our objectives, plans or goals are or may be forward-looking statements. These forward-looking statements reflect our current expectations concerning future results and events; generally can be identified by the use of statements that include phrases such as "believe," "expect," "anticipate," "intend," "plan," "foresee," "likely," "will," "may," "could," "estimate" or other similar words or phrases; and involve known and unknown risks, uncertainties and other factors that are difficult to predict and which may cause the actual results, performance or achievements of ViacomCBS to be different from any future results, performance or achievements expressed or implied by these statements. These risks, uncertainties and other factors include, among others: the impact of the COVID-19 pandemic (and other widespread health emergencies or pandemics) and measures taken in response thereto; technological developments, alternative content offerings and their effects in our markets and on consumer behavior; the impact on our advertising revenues of changes in consumers' content viewership, deficiencies in audience measurement and advertising market conditions; the public acceptance of our brands, programming, films, published content and other entertainment content on the various platforms on which they are distributed; increased costs for programming, films and other rights; the loss of key talent; competition for content, audiences, advertising and distribution in consolidating industries; the potential for loss of carriage or other reduction in or the impact of negotiations for the distribution of our content; the risks and costs associated with the integration of the CBS Corporation and Viacom Inc. businesses and investments in new businesses, products, services and technologies; evolving cybersecurity and similar risks; the failure, destruction or breach of critical satellites or facilities; content theft; domestic and global political, economic and/or regulatory factors affecting our businesses generally; volatility in capital markets or a decrease in our debt ratings; strikes and other union activity; fluctuations in our results due to the timing, mix, number and availability of our films and other programming; losses due to asset impairment charges for goodwill, intangible assets, FCC licenses and programming; liabilities related to discontinued operations and former businesses; and potential conflicts of interest arising from our ownership structure with a controlling stockholder. These risks, uncertainties and other factors are discussed in the risk factors disclosed in our Annual Report on Form 10-K for the year ended December 31, 2019 (filed with the SEC on February 20, 2020) and in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 (filed with the SEC on May 7, 2020). Other risks may be described in our news releases and other filings with the SEC, including but not limited to our Current Reports on Form 8-K. 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 Quarterly Report on Form 10-Q are made only as of the date of this document and we do not undertake any obligation to publicly update any forward-looking statements to reflect subsequent events or circumstances.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There have been no significant changes to market risk since reported in our Annual Report on Form 10-K for the year ended December 31, 2019.

Item 4. Controls and Procedures.

Our chief executive officer and chief financial officer have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) of the Securities Exchange Act of 1934, as amended) were effective, based on the evaluation of these controls and procedures required by Rule 13a-15(b) or 15d-15(b) of the Securities Exchange Act of 1934, as amended.

No change in our internal control over financial reporting occurred during our last fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

The information set forth in Note 15 to the consolidated financial statements appearing in Item 1 of Part I of this Quarterly Report on Form 10-Q under the caption "Legal Matters" is incorporated by reference herein.

Item 1A. Risk Factors.

In addition to the risk factors included in our Annual Report on Form 10-K for the year ended December 31, 2019 (filed with the SEC on February 20, 2020), the following risk factor could have a material adverse effect on our business, financial condition and results of operations.

The coronavirus disease (COVID-19) pandemic has negatively impacted and is expected to continue to impact our business (and other pandemics could do the same), which could have a material adverse effect on our business, financial condition and results of operations.

The coronavirus disease ("COVID-19") pandemic has negatively impacted, and is expected to continue to impact, the macroeconomic environment in the United States and globally. Federal, state and local governmental authorities in the United States and foreign governments around the world have implemented numerous orders, policies and initiatives to try and reduce the transmission of COVID-19, such as travel bans and restrictions, quarantines, shelter in place orders and business shutdowns. The difficult macroeconomic environment, which has included increased and prolonged unemployment and a decline in consumer confidence, as a result of COVID-19, and any resulting recession or prolonged declines in economic growth, as well as changes in consumer behavior in response to a pandemic, has had, and may continue to have, a negative impact on our business, financial condition and results of operations. Other pandemics or widespread health emergencies may have similar impacts and effects.

As a result of COVID-19, we have experienced a material negative impact on our advertising revenues because of weakness in the advertising market as advertisers have sought to reduce their own costs in response to the pandemic's impact on their businesses, and because of the cancellation or postponement of sporting events for which we have broadcast rights, such as the *NCAA Division I Men's Basketball Championship* and professional golf tournaments. We are not able to predict whether future sporting events will be canceled or postponed, or whether advertising revenues from these broadcasts, or advertising budgets and the advertising market generally, will return or be comparable to historical levels. Any prolonged decline in our advertising revenues would have a negative impact on our business, financial condition and results of operations.

COVID-19 has also led to a temporary shutdown of production of our television and film programming, which resulted in the abandonment of certain program materials that were not complete, delays in deliveries of programming to third parties, and fewer original programs and live events airing on our broadcast and cable networks. While production has begun on a limited basis, we are not able to predict when production will fully resume, or the impact of incremental costs required to adhere to new health and safety protocols. We may also experience lower demand for the licensing of our programming in the near term as licensees implement financial austerity measures and aim to reduce costs. As a result, content licensing and advertising revenues have been and may continue to be negatively impacted in the near to medium term.

In addition, our theatrical revenues have been negatively impacted by the closure or reduction in capacity of movie theaters that show our films, either voluntarily or as a result of government orders or restrictions on public gatherings in response to COVID-19, which has impacted our theatrical release strategy for several films in 2020. As a result, we did not release any films in the second quarter of 2020 and postponed two significant theatrical releases from 2020 to 2021. We are not able to predict when movie theaters will reopen at scale. We are also not able to predict if consumers will return to movie theaters (even upon their reopening) at the same levels they previously did because of concerns related to COVID-19 or because of changes to viewing habits. As such, revenues from theatrical releases may not return to historical levels in the short or medium term.

In addition, COVID-19 could impact our business, financial condition and results of operations in a number of other ways, including, but not limited to:

- continuing to negatively impact our affiliate revenues, as consumers may seek to reduce discretionary spending by cutting back or foregoing subscriptions to cable television or other multichannel video programming distributors (“MVPDs”) and virtual MVPDs;

- negatively impacting on our financial condition or our ability to fund operations or future investment opportunities due to an increase in the cost or difficulty in obtaining debt or equity financing, or refinancing our debt in the future, or our ability to comply with the leverage covenant in our Credit Facility;

- impairments of our programming and other inventory, goodwill and other indefinite-lived intangible assets, and other long-lived assets; and

- increased cyber and payment fraud risk, as cybercriminals attempt to profit from the disruption, given increased online activity.

The continuing impact of COVID-19 could be material to our business, financial condition and results of operations. The magnitude of the impact will depend on numerous evolving factors that we may not be able to accurately predict or control, including the duration, extent and possible resurgence of the pandemic, the impact of federal, state, local and foreign governmental actions, consumer behavior in response to the pandemic and such governmental actions, and the economic and operating conditions that we may face in the aftermath of COVID-19. Even after COVID-19 has subsided, we may experience materially adverse impacts to our business as a result of its global economic impact, including any recession that has occurred or may occur in the future. Due to the evolving and uncertain nature of the pandemic, we are not able to estimate the full extent of the impact that COVID-19 will have on our business, financial condition and results of operations, and that impact could also exacerbate the risks identified in “Item 1A. Risk Factors” in our Annual Report on Form 10-K.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Company Purchases of Equity Securities

In November 2010, we announced that our Board of Directors approved a program to repurchase $1.5 billion of our common stock in open market purchases or other types of transactions (including accelerated stock repurchases or privately negotiated transactions). Since then, various increases totaling $16.4 billion have been approved and announced, including most recently, an increase to the share repurchase program to a total availability of $6.0 billion on July 28, 2016. During the second quarter of 2020, we did not purchase any shares under our publicly announced share repurchase program, which had remaining authorization of $2.36 billion at June 30, 2020.

Item 6. Exhibits.

Exhibit No.		Description of Document
(4)		**Instruments defining the rights of security holders, including indentures**
	(a)	Form of 4.200% Senior Notes due 2032 (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of ViacomCBS Inc. filed May 19, 2020) (File No. 001-09553).
	(b)	Form of 4.950% Senior Notes due 2050 (incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K of ViacomCBS Inc. filed May 19, 2020) (File No. 001-09553).
	(c)	Form of 4.750% Senior Notes due 2025 (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of ViacomCBS Inc. filed April 1, 2020) (File No. 001-09553).
	(d)	Form of 4.950% Senior Notes due 2031 (incorporated by reference to Exhibit 4.2 to the Current Report on Form 8-K of ViacomCBS Inc. filed April 1, 2020) (File No. 001-09553).
(10)		**Material Contracts**
	(a)	Employment Agreement, dated as of June 30, 2020, between ViacomCBS Inc. and Naveen Chopra (filed herewith).
	(b)	Letter Agreement, dated as of June 30, 2020, between ViacomCBS Inc. and Naveen Chopra (filed herewith).
	(c)	Letter Agreement, dated as of July 24, 2020, between ViacomCBS Inc. and Christina Spade (filed herewith).
(31)		**Rule 13a-14(a)/15d-14(a) Certifications**
	(a)	Certification of the Chief Executive Officer of ViacomCBS Inc. pursuant to Rule 13a-14(a), or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes Oxley Act of 2002 (filed herewith).
	(b)	Certification of the Chief Financial Officer of ViacomCBS Inc. pursuant to Rule 13a-14(a), or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes Oxley Act of 2002 (filed herewith).
(32)		**Section 1350 Certifications**
	(a)	Certification of the Chief Executive Officer of ViacomCBS Inc. furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002 (furnished herewith).
	(b)	Certification of the Chief Financial Officer of ViacomCBS Inc. furnished pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002 (furnished herewith).
(101)		**Interactive Data File**
		101. INS XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
		101. SCH Inline XBRL Taxonomy Extension Schema.
		101. CAL Inline XBRL Taxonomy Extension Calculation Linkbase.
		101. DEF Inline XBRL Taxonomy Extension Definition Linkbase.
		101. LAB Inline XBRL Taxonomy Extension Label Linkbase.
		101. PRE Inline XBRL Taxonomy Extension Presentation Linkbase.
(104)		**Cover Page Interactive Data File** (formatted as Inline XBRL and contained in Exhibit 101).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	VIACOMCBS INC. (Registrant)
Date: August 6, 2020	/s/ Christina Spade
	Christina Spade *Executive Vice President,* *Chief Financial Officer*
Date: August 6, 2020	/s/ Katherine Gill-Charest
	Katherine Gill-Charest *Executive Vice President, Controller and* *Chief Accounting Officer*

June 30, 2020

Mr. Naveen Chopra
c/o last address on file
with the Company

Dear Mr. Chopra:

ViacomCBS Inc. (the "Company") agrees to employ you, and you accept such employment, on the terms and conditions set forth in this letter agreement ("Agreement"). For purposes of this Agreement, "ViacomCBS" shall mean ViacomCBS Inc. and its subsidiaries.

1. Contract Period. The term of your employment under this Agreement shall begin on August 10, 2020 (the "Effective Date") and, unless terminated earlier as set forth herein, shall continue through and including August 9, 2023. The period from the Effective Date through August 9, 2023 is referred to as the "Contract Period", even if your employment terminates earlier for any reason.

2. Duties. You shall devote your entire business time, attention and energies to the business of the Company during your employment with the Company. You shall be Executive Vice President, Chief Financial Officer of the Company, and you shall perform all duties reasonable and consistent with such office, to include responsibility for Corporate Development and Strategy, as may be assigned to you from time to time by the President and Chief Executive Officer, or other individual designated by the President and Chief Executive Officer.

3. Compensation.

(a) Salary. The Company shall pay you base salary (as may be increased, "Salary") at a rate of One Million Four Hundred Thousand Dollars ($1,400,000) per year for all of your services as an employee. Your Salary shall be subject to merit reviews, on or about an annual basis, while you are actively employed during the Contract Period and may at that time, be increased but not decreased. Your Salary, less deductions and income and payroll tax withholding as may be required under applicable law, shall be payable in accordance with the Company's ordinary payroll policy, but no less frequently than monthly.

(b) Bonus. You also shall be eligible to earn a bonus ("Bonus") or a Pro-Rated Bonus (as defined in paragraph 19(e)(ii)), as applicable, determined as set forth below and in paragraph 19(e)(ii).

(i) Your Bonus for each Company fiscal year, regardless of whether such fiscal year is a 12-month period or a shorter period of time, shall be determined in accordance with the Company's annual bonus plan in effect from time to time, as determine by the Board or a Committee of the Board (the "STIP").

(ii) Your target Bonus for each Company fiscal year during the Contract Period shall be 150% of your Salary (your "Target Bonus") and shall be adjusted based on the Company's performance (the "Company Performance Factor") and your individual performance (the "Individual Performance Factor"), in each case as determined by the Company and as further provided in the STIP. Notwithstanding the foregoing, your 2020 Bonus will be guaranteed at your

Target Bonus, and prorated for time employed during the fiscal year, beginning with the Effective Date.

(c) Long-Term Incentive Compensation. During your employment under this Agreement, you shall be eligible to participate in the Company's equity incentive plan in effect from time to time, at a level appropriate to your position and individual performance as determined by the Board or a committee of the Board, in its discretion, based on a target value of Three Million Dollars ($3,000,000) per annum. The annual design and actual grant date value of your award shall be determined and subject to modification (in a manner consistent with award principles applicable to similarly situated employees of the Company) by the Board or a committee of the Board.

(d) Compensation During Short-Term Disability. Your compensation for any period that you are absent due to a short-term disability ("STD") and are receiving compensation under a Company STD plan sponsored or maintained by the Company shall be determined in accordance with the terms of such STD plan. The compensation provided to you under the applicable STD plan shall be in lieu of the Salary provided under this Agreement. Your participation in any other Company benefit plans or programs during the STD period shall be governed by the terms of the applicable plan or program documents, award agreements and certificates.

4. Benefits. During your employment under this Agreement, you shall be eligible to participate in any vacation programs, medical and dental plans and life insurance plans, STD and long-term disability ("LTD") plans, retirement and other employee benefit plans the Company may have, establish or maintain from time to time and for which you qualify pursuant to the terms of the applicable plan.

5. Business Expenses. During your employment under this Agreement, the Company shall reimburse you for such reasonable travel and other expenses, incurred in the performance of your duties in accordance with the Company's policies, as are customarily reimbursed to Company executives at comparable levels.

6. Non-Competition and Non-Solicitation.

(a) Non-Competition.

(i) Your employment with the Company is on an exclusive and full-time basis, and while you are employed by the Company, you shall not engage in any other business activity which is in conflict with your duties and obligations (including your commitment of time) to the Company. During the Non-Competition Period, you shall not directly or indirectly engage in or participate as an owner, partner, holder or beneficiary of stock, stock options or other equity interest, officer, employee, director, manager, partner or agent of, or consultant for, any business competitive with any business of ViacomCBS without the prior written consent of ViacomCBS. This provision shall not limit your right to own and have options or other rights to purchase not more than one percent (1%) of any of the debt or equity securities of any business organization that is then filing reports with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, unless such ownership constitutes a significant portion of your net worth. Nothing in the foregoing shall prevent you from serving on up to two (2) boards, so long as you comply with the process outlined in and receive the approvals necessary per the Company's business code of conduct statement and conflict of interest policy. For the avoidance of doubt, you will not be given permission to serve on any board where such service provides a conflict of interest to the Company, including in terms of time. At all times, your work for the Company must remain your first professional priority.

(ii) The "Non-Competition Period" begins on the Effective Date and ends on the last day of the Contract Period, provided that:

1. If the Company terminates your employment without Cause or you resign for Good Reason before the end of the Contract Period, then the Non-Competition Period shall end on the earlier of (i) the end of the period in which you are receiving payments pursuant to paragraph 11(b)(i) or (ii) the effective date of your waiver in writing of any right to receive or continue to receive compensation and benefits under paragraph 11. You shall be deemed to have irrevocably provided such waiver if you accept competing employment.

2. If the Company terminates your employment for Cause or you resign other than for Good Reason, the Non-Competition Period shall end on the earlier of (i) the last day of the Contract Period or (ii) eighteen (18) months after such termination or resignation.

(b) Non-Solicitation.

(i) During the Non-Solicitation Period, you shall not directly or indirectly engage or attempt to engage in any of the following acts:

1. Employ or solicit the employment of any person who is then, or has been within six (6) months prior thereto, an employee of ViacomCBS; or

2. Interfere with, disturb or interrupt the relationships (whether or not such relationships have been reduced to formal contracts) of ViacomCBS with any customer, supplier, independent contractor, consultant, joint venture or other business partner (to the extent each of the limitations in this paragraph 6(b)(i)(2) is permitted by applicable law).

(ii) The "Non-Solicitation Period" begins on the Effective Date and ends on the last day of the Contract Period, or, if longer, eighteen (18) months after the Company terminates your employment for Cause or you resign other than for Good Reason.

(c) Severability. If any court determines that any portion of this paragraph 6 is invalid or unenforceable, the remainder of this paragraph 6 shall not thereby be affected and shall be given full effect without regard to the invalid provisions. If any court construes any of the provisions of this Section 6, or any part thereof, to be unreasonable because of the duration or scope of such provision, such court shall have the power to reduce the duration or scope of such provision and to enforce such provision as so reduced.

7. Confidentiality and Other Obligations.

(a) Confidential Information. You shall not use for any purpose or disclose to any third party any information relating to the Company, the Company's clients or other parties with which the Company has a relationship, or that may provide the Company with a competitive advantage ("Confidential Information"), other than (i) in the performance of your duties under this Agreement consistent with the Company's policies or (ii) as may otherwise be required by law or legal process; provided, however, that nothing in the foregoing prohibits you from reporting what you in good faith believe to be violations of federal law to any governmental agency you in good faith believe to have responsibility for enforcement of such law or from making any other disclosure that is protected under the whistleblower protections of federal law. Additionally, you are hereby notified that the immunity provisions in Section 1833 of title 18 of the United States Code provide that an individual cannot be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that is made (x) in confidence to federal, state or local government officials, either directly or indirectly, or to an attorney, and is solely for the purpose of reporting or investigating a suspected violation of the law, (y) under seal in a complaint or other document filed in a lawsuit or other proceeding, or (z) to your attorney in connection with a lawsuit for retaliation for reporting a suspected violation of law (and the trade secret may be used in the court proceedings for such lawsuit) as long as any document containing the trade secret is filed under seal and the trade secret is not disclosed except pursuant to court order. Confidential Information shall include, without limitation, trade secrets; inventions (whether or not patentable); technology and business processes; business, product or marketing plans; negotiating strategies; sales and other forecasts; financial information; client lists or other intellectual property; information relating to compensation and benefits; public information that becomes proprietary as a result of the Company's compilation of that information for use in its business; documents (including any electronic record, videotapes or audiotapes) and oral communications incorporating Confidential Information. You shall also comply with any and all confidentiality obligations of the Company to a third party of which you are aware, whether arising under a written agreement or otherwise. Information shall not be deemed Confidential Information if it is or becomes generally available to the public other than as a result of an unauthorized disclosure or action by you or at your direction.

(b) Interviews, Speeches or Writings about the Company. Except in the performance of your duties under this Agreement consistent with the Company's policies, you shall obtain the express authorization of the Company before (i) giving any speeches or interviews or (ii) preparing or assisting any person or entity in the preparation of any books, articles, radio broadcasts, electronic communications, television or motion picture productions or other creations, in either case concerning the Company or any of its respective businesses, officers, directors, agents, employees, suppliers or customers.

(c) Non-Disparagement. You shall not, directly or indirectly, in any communications with any reporter, author, producer or any similar person or entity, the press or other media, or any customer, client or supplier of the Company, criticize, ridicule or make any statement which is negative, disparages or is derogatory of the Company or any of its directors or senior officers.

(d) Scope and Duration. The provisions of paragraph 7(a) shall be in effect during the Contract Period and at all times thereafter. The provisions of paragraphs 7(b) and 7(c) shall be in effect during the Contract Period and for one (1) year thereafter and such provisions shall apply to all formats and platforms now known or hereafter developed, whether written, printed, oral or electronic, including without limitation e-mails, "blogs", internet sites, chat or news rooms, podcasts or any online forum.

8. Company Property.

(a) Company Ownership.

(i) The results and proceeds of your services to the Company, whether or not created during the Contract Period, including, without limitation, any works of authorship resulting from your services and any works in progress resulting from such services, shall be works-made-for-hire and the Company shall be deemed the sole owner throughout the universe of any and all rights of every nature in such works, with the right to use, license or dispose of the works in perpetuity in any manner the Company determines in its sole discretion without any further payment to you, whether such rights and means of use are now known or hereafter defined or discovered.

(ii) If, for any reason, any of the results and proceeds of your services to the Company are not legally deemed a work-made-for-hire and/or there are any rights in such results and proceeds which do not accrue to the Company under this paragraph 8(a), then you hereby irrevocably assign any and all of your right, title and interest thereto, including, without limitation, any and all copyrights, patents, trade secrets, trademarks and/or other rights of every nature in the work, and the Company shall have the sole right to use, license or dispose of the work in perpetuity throughout the universe in any manner the Company determines in its sole discretion without any further payment to you, whether such rights and means of use are now known or hereafter defined or discovered.

(iii) Upon request by the Company, whether or not during the Contract Period, you shall do any and all things which the Company may deem useful or desirable to establish or document the Company's rights in the results and proceeds of your services to the Company, including, without limitation, the execution of appropriate copyright, trademark and/or patent applications, assignments or similar documents. You hereby irrevocably designate the General Counsel, Secretary or any Assistant Secretary of the Company as your attorney-in-fact with the power to take such action and execute such documents on your behalf. To the extent you have any rights in such results and proceeds that cannot be assigned as described above, you unconditionally and irrevocably waive the enforcement of such rights.

(iv) The provisions of this paragraph 8(a) do not limit, restrict, or constitute a waiver by the Company of any ownership rights to which the Company may be entitled by operation of law by virtue of being your employer.

(v) You and the Company acknowledge and understand that the provisions of this paragraph 8 requiring assignment of inventions to the Company do not apply to any invention which qualifies fully under the provisions of California Labor Code Section 2870, to the extent that such provision applies to you. You agree to advise the Company promptly in writing of any inventions that you believe meet the criteria in California Labor Code Section 2870.

(b) Return of Property. All documents, data, recordings, or other property, whether tangible or intangible, including all information stored in electronic form, obtained or prepared by or for you and utilized by you in the course of your employment with the Company shall remain the exclusive property of the Company and shall remain in the Company's exclusive possession at the conclusion of your employment.

9. Legal Matters.

(a) Communication. Except as required by law or legal process or at the request of the Company, you shall not communicate with anyone (other than your attorneys who agree to keep such matters confidential), except to the extent necessary in the performance of your duties under this Agreement in accordance with the Company's policies, with respect to the facts or subject matter of any claim, litigation, regulatory or administrative proceeding directly or indirectly involving the Company ("Company Legal Matter") without obtaining the prior consent of the Company or its counsel; provided, however, that nothing in the foregoing prohibits you from reporting what you in good faith believe to be violations of federal law to any governmental agency you in good faith believe to have responsibility for enforcement of such law or from making any other disclosure that is protected under the whistleblower protections of federal law.

(b) Cooperation. You agree to cooperate with the Company and its attorneys in connection with any Company Legal Matter or Company investigation. Your cooperation shall include, without limitation, providing assistance to and meeting with the Company's counsel, experts or consultants, and providing truthful testimony in pretrial and trial or hearing proceedings. In the event that your cooperation is requested after the termination of your employment, the Company shall (i) seek to minimize interruptions to your schedule to the extent consistent with its interests in the matter; and (ii) reimburse you for all reasonable and appropriate out-of-pocket expenses actually incurred by you in connection with such cooperation upon reasonable substantiation of such expenses.

(c) Testimony. Except as required by law or legal process or at the request of the Company, you shall not testify in any lawsuit or other proceeding which directly or indirectly involves the Company, or which is reasonably likely to create the impression that such testimony is endorsed or approved by the Company.

(d) Notice to Company. If you are requested or if you receive legal process requiring you to provide testimony, information or documents (including electronic documents) in any Company Legal Matter or that otherwise relates, directly or indirectly, to the Company or any of its officers, directors, employees or affiliates, you shall give prompt notice of such event to ViacomCBS's General Counsel and you shall follow any lawful direction of ViacomCBS's General Counsel or his/her designee with respect to your response to such request or legal process.

(e) Adverse Party. The provisions of this paragraph 9 shall not apply to any litigation or other proceeding in which you are a party adverse to the Company; provided, however, that the Company expressly reserves its rights under paragraph 7 and its attorney-client and other privileges and immunities, including, without limitation, with respect to its documents and Confidential Information, except if expressly waived in writing by ViacomCBS's General Counsel or his/her designee.

(f) Duration. The provisions of this paragraph 9 shall apply during the Contract Period and at all times thereafter, and shall survive the termination of your employment with the Company, with respect to any Company Legal Matter arising out of or relating to the business in which you were engaged during your employment with the Company. As to all other Company Legal Matters, the provisions of this paragraph 9 shall apply during the Contract Period and for one year thereafter or, if longer, during the pendency of any Company Legal Matter which was commenced, or which the Company received notice of, during such period.

10. Termination for Cause.

(a) Termination Payments. The Company may terminate your employment under this Agreement for Cause and thereafter shall have no further obligations to you under this Agreement or otherwise, except for any earned but unpaid Salary through and including the date of termination of employment and any other amounts or benefits required to be paid or provided by law or under any plan of the Company (the "Accrued Compensation and Benefits"). Without limiting the generality of the preceding sentence, upon termination of your employment for Cause, you shall have no further right to any Bonus or to exercise or redeem any stock options or other equity compensation.

(b) Cause Definition. "Cause" shall mean: (i) conduct constituting embezzlement, material misappropriation or fraud, whether or not related to your employment with the Company; (ii) conduct constituting a felony, whether or not related to your employment with the Company; (iii) conduct constituting a financial crime, material act of dishonesty or material unethical business conduct, involving the Company; (iv) willful unauthorized disclosure or use of Confidential Information; (v) the failure to substantially obey a material lawful directive that is appropriate to your position from a superior in your reporting line or the Board; (vi) your material breach of any material obligation under this Agreement; (vii) the failure or refusal to substantially perform your material obligations under this Agreement (other than any such failure or refusal resulting from your STD or LTD); (viii) the willful failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, whether or not related to employment with the Company, after being instructed by the Company to cooperate; (ix) the willful destruction of or willful failure to preserve documents or other material known to be relevant to any investigation referred to in subparagraph (viii) above; or (x) the willful inducement of others to engage in the conduct described in subparagraphs (i) – (ix), including, without limitation, with regard to subparagraph (vi), obligations of others to the Company.

(c) Notice/Cure. The Company shall give you written notice prior to terminating your employment for Cause or, if no cure period is applicable, contemporaneous with termination of your employment for Cause, setting forth in reasonable detail the nature of any alleged failure, breach or refusal in reasonable detail and the conduct required to cure such breach, failure or refusal. Except for a failure, breach or refusal which, by its nature, cannot reasonably be expected to be cured, you shall have ten (10) business days from the giving of such notice within which to cure; provided, however, that, if the Company reasonably expects irreparable injury from a delay of ten (10) business days, the Company may give you notice of such shorter period within which to cure as is reasonable under the circumstances, which may include the termination of your employment without notice and with immediate effect.

11. Resignation for Good Reason and Termination without Cause.

(a) Resignation for Good Reason.

(i) You may resign for Good Reason at any time that you are actively employed during the Contract Period by written notice to the Company no more than thirty (30) days after the occurrence of the event constituting Good Reason. Such notice shall state the grounds for such Good Reason resignation and an effective date no earlier than thirty (30) business days after the date it is given. The Company shall have thirty (30) business days from the giving of such notice within which to cure and, in the event of such cure, your notice shall be of no further force or effect.

(ii) "Good Reason" shall mean without your consent (other than in connection with the termination or suspension of your employment or duties for Cause or in connection with your death or LTD): (i) the assignment to you of duties or responsibilities substantially inconsistent with your position(s) or duties; (ii) the material diminution of your duties, responsibilities or authority, including as the Chief Financial Officer of a publicly traded company; (iii) a material reduction of your Salary, Target Bonus or target long-term incentive compensation amount, including a reduction from the levels to which they may be increased during the Contract Term; or (iv) the material breach by the Company of any material obligation under this Agreement.

(b) Termination without Cause. The Company may terminate your employment under this Agreement without Cause at any time during the Contract Period by written notice to you.

(c) Termination Payments/Benefits. In the event that your employment terminates under paragraph 11(a) or (b), you shall thereafter receive the compensation and benefits described below and the following shall apply:

(i) The Company shall continue to pay your Salary (at the rate in effect on the date of termination) at the same time and in the same manner as if you had not terminated employment for the longer of one (1) year or until the end of the Contract Period;

(ii) You shall be eligible to receive a Bonus or Pro-Rated Bonus, as applicable, for each Company fiscal year or portion thereof during the Contract Period, calculated as provided in paragraph 19(e)(iii), provided that the total severance payment you receive pursuant to paragraphs 11(b)(i) and (ii) shall in no event exceed two times the sum of your Salary and Target Bonus in the year in which such termination occurs;

(iii) Provided you validly elect continuation of your medical and dental coverage under Section 4980B(f) of the Internal Revenue Code of 1986 (the "Code") (relating to coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA")), your coverage and participation under the Company's medical and dental benefit plans and programs in which you were participating immediately prior to your termination of employment pursuant to this paragraph 11, shall continue at no cost to you (except as set forth below) until the earlier of

(i) the end of the Contract Period, but in no event less than one (1) year after the termination of your employment, or (ii) the date on which you become eligible for medical and/or dental coverage from another employer; provided, that, during the period that the Company provides you with this coverage, an amount equal to the total applicable COBRA cost (or such other amounts as may be required by law) will be included in your income for tax purposes and the Company may withhold taxes from your termination payments for this purpose; and provided, further, that you may elect to continue your medical and dental coverage under COBRA at your own expense for the balance, if any, of the period required by law;

(iv) The Company shall continue to provide you with life insurance coverage, at no premium cost to you (unless you had no coverage at the time of termination), until the end of the Contract Period or, if longer, the end of the period in which you are receiving payments pursuant to paragraph 11(b)(i), in accordance with the Company's then-current policy, as may be amended from time to time, and in the amount then furnished at no cost to other Company executives at comparable levels. Such coverage shall end in the event you are eligible to obtain life insurance coverage from another employer;

(v) With respect to any stock options granted to you under any of the Company's long-term incentive plans in effect from time to time:

(x) all stock options that have not vested as of the termination of your employment (your "Separation Date"), but that would have vested on or before the end of the Contract Period, shall become fully vested on the later of your Separation Date or upon receipt of a Release executed by you, and such stock options shall remain exercisable for six (6) months after your Separation Date (or if longer, such period provided under the terms of the applicable long-term incentive plan), but in no event later than the expiration date of such options; and

(y) all outstanding stock options that have vested on or prior to your Separation Date shall remain exercisable for six (6) months after such date (or if longer, such period provided under the terms of the applicable long-term incentive plan), but in no event later than the expiration date of such options.

(vi) All restricted share units or restricted shares granted to you under any of the Company's long-term incentive plans in effect from time to time that have not vested as of your Separation Date, but that would have vested on or before the end of the Contract Period, shall become fully vested on the later of your Separation Date or upon receipt of a Release executed by you. There shall be no acceleration of the vesting of any equity or long-term incentive awards granted to you under any of the Company's long-term plans in effect from time to time, unless otherwise provided herein or under the terms of the applicable long-term incentive plan;

(vii) All performance share units granted to you under any of the Company's equity incentive plans as in effect from time to time that have not vested as of your Separation Date, but that would have vested on or before the end of shall become fully vested on the later of your Separation Date or upon receipt of a Release executed by you, with all performance goals relating to any performance period not completed as of the date of your termination of employment deemed achieved at target levels, and subject to any timing or holding requirements in the applicable long-term incentive plan or award agreement; and

(vii) The Company shall pay or continue to provide, as applicable, the Accrued Compensation and Benefits.

(d) Release. Your entitlement to the payments and benefits described in this paragraph 11 is conditioned on your execution and delivery to the Company, within sixty (60) days after your termination of employment (the “Release Deadline”), of a release in substantially the form appended hereto as Appendix A that remains in effect and becomes irrevocable after the expiration of any statutory period in which you are permitted to revoke a release (the “Release”). If you fail to execute and deliver the Release by the Release Deadline, or if you thereafter effectively revoke the Release, the Company shall be under no obligation to make any further payments or provide any further benefits to you and any payments and benefits previously provided to you pursuant to this paragraph 11 shall not have been earned. In such event, you shall promptly repay the Company any payments made and the Company’s direct cost for any benefits provided to you pursuant to this paragraph 11. The limitations of this paragraph shall not apply to the Accrued Compensation and Benefits.

(e) Offset. The amount of payments provided in paragraph 11 in respect of the period that begins one (1) year after the termination of your employment shall be reduced by any compensation for services earned by you (including as an independent consultant or independent contractor) from any source in respect of the period that begins one (1) year after the termination of your employment and ends when the Company is no longer required to make payments pursuant to paragraph 11 (the “Offset Period”), including, without limitation, salary, sign-on or annual bonus, consulting fees, commission payments and any amounts the payment of which is deferred at your election, or with your consent, until after the expiration of the Offset Period; provided that, if the Company in its reasonable discretion determines that any grant of long-term compensation is made in substitution of the aforementioned payments, such payments shall be further reduced by the value on the date of grant, as reasonably determined by the Company, of such long-term compensation you receive. You agree to promptly notify the Company of any arrangements during the Offset Period in which you earn compensation for services and to cooperate fully with the Company in determining the amount of any such reduction.

12. Resignation in Breach of the Agreement. If you resign other than for Good Reason prior to the expiration of the Contract Period, such resignation is a material breach of this Agreement and, without limitation of other rights or remedies available to the Company, the Company shall have no further obligations to you under this Agreement or otherwise, except to make termination payments provided in paragraph 10(a).

13. Termination Due to Death.

(a) Death While Employed. In the event of your death prior to the end of the Contract Period while actively employed with the Company, this Agreement shall automatically terminate. Thereafter, your designated beneficiary (or, if there is no such beneficiary, your estate) shall receive (i) any Accrued Compensation and Benefits as of the date of your death and (ii) for the year in which death occurs, any Bonus or Pro-Rated Bonus, as applicable, which you would have been eligible to receive, calculated in accordance with paragraph 19(e)(iii). In no event shall a distribution be made pursuant to clause (i) in the preceding sentence later than the 60th day following your death and a distribution pursuant to clause (ii) in the preceding sentence shall be made at the same time and in the same manner as if you were still actively employed with the Company.

(b) Death After the End of Employment. In the event of your death while you are entitled to receive compensation or benefits under paragraphs 11 or 15, in lieu of such payments your designated beneficiary (or, if there is no such beneficiary, your estate) shall receive, to the extent not previously paid to you, (i) continuation of Salary pursuant to the applicable paragraph through the date of death; (ii) if you were entitled to receive compensation or benefits under paragraph 11, for the year in which death occurs, any Bonus or Pro-Rated Bonus, as applicable, for the year in which death occurs, payable under such paragraph, calculated in accordance with paragraph 19(e)(iii); and (iii) any Accrued Compensation and Benefits. In no event shall a distribution be made pursuant to clauses (i) and (iii) in the preceding sentence later than the 60th day following your death and a distribution pursuant to clause (ii) in the preceding sentence shall be made at the same time and in the same manner as if you were still actively employed with the Company.

14. Long-Term Disability. In the event you are absent due to a LTD and you are receiving compensation under a the Company LTD plan, then, effective on the date you begin receiving compensation under such plan, (i) this Agreement shall terminate without any further action required by the Company, (ii) you shall be considered an “at-will” employee of the Company, and (iii) you shall have no guarantee of specific future employment nor continuing employment generally when your receipt of compensation under a the Company LTD plan ends, except as required by applicable law . In the event of such termination of this Agreement, you shall receive (i) any Accrued Compensation and Benefits and (ii) for the year in which such termination occurs, any Bonus or Pro-Rated Bonus, as applicable, which you would have been entitled to receive, calculated in accordance with paragraph 19(e)(iii). Except as set forth in the previous sentence, the compensation provided to you under the applicable LTD plan shall be in lieu of any compensation from the Company (including, but not limited to, the Salary provided under this Agreement or otherwise). Your participation in any other the Company benefit plans or programs shall be governed by the terms of the applicable plan or program documents, award agreements and certificates.

15. Non-Renewal. If the Company does not extend or renew this Agreement at the end of the Contract Period and you have not entered into a new contractual relationship with the Company, your continuing employment, if any, with the Company shall be “at-will” and may be terminated at any time by either party. If the Company terminates your employment during the one (1) year period commencing with the last day of the Contract Period while you are an employee at-will, the Company shall continue to pay your Salary (at the rate in effect on the date of termination) at the same time and in the same manner as if you had not terminated employment for the balance, if any, of such one (1) year period; provided, however, that (i) you shall not be entitled to such Salary continuation if the Company terminates your employment for reasons constituting Cause and (ii) any such Salary continuation shall be subject to offset as set forth in Section 11(d) above, without giving effect to the one (1) year period referenced therein.

16. Severance Plan Adjustment. In the event that your employment with the Company terminates pursuant to paragraph 11 or 15, and, at the time of your termination of employment there is in effect a the Company severance plan (a “Severance Plan”) for which you are eligible to participate or would have been eligible to participate but for your having entered into this Agreement or being a Specified Employee and which provides for severance compensation that is greater than the amounts to which you are entitled under paragraphs 11(b)(i) and 11(b)(ii) or paragraph 15, then the amounts of your severance compensation under this Agreement shall automatically be adjusted to equal those that would have been provided to you under the Severance Plan. For the avoidance of doubt, any payment entitlement pursuant to this paragraph 16 is in lieu of, and not in addition to, any severance compensation

to which you may otherwise be entitled under this Agreement. Notwithstanding any adjustment to the amount of your entitlements pursuant to this paragraph 16, all other provisions of this Agreement shall remain in effect, including, without limitation, paragraphs 6, 7, 8 and 9.

17. Further Events on Termination of Employment.

(a) Termination of Benefits. Except as otherwise expressly provided in this Agreement, your participation in all the Company benefit plans and programs (including, without limitation, medical and dental coverage, life insurance coverage, vacation accrual, all retirement and the related excess plans, STD and LTD plans and accidental death and dismemberment and business travel and accident insurance and your rights with respect to any outstanding equity compensation awards) shall be governed by the terms of the applicable plan and program documents, award agreements and certificates.

(b) Resignation from Official Positions. If your employment with the Company terminates for any reason, you shall be deemed to have resigned at that time from any and all officer or director positions that you may have held with the Company and all board seats or other positions in other entities to which you have been designated by the Company or which you have held on behalf of the Company. If, for any reason, this paragraph 17(b) is deemed insufficient to effectuate such resignation, you hereby authorize the Secretary and any Assistant Secretary of the Company to execute any documents or instruments which the Company may deem necessary or desirable to effectuate such resignation or resignations, and to act as your attorney-in fact.

18. Survival; Remedies.

(a) Survival. Your obligations under paragraphs 6, 7, 8 and 9 shall remain in full force and effect for the entire period provided therein notwithstanding the termination of your employment for any reason or the expiration of the Contract Period.

(b) Modification of Terms. You and the Company acknowledge and agree that the restrictions and remedies contained in paragraphs 6, 7, 8 and 9 are reasonable and that it is your intention and the intention of the Company that such restrictions and remedies shall be enforceable to the fullest extent permissible by law. If a court of competent jurisdiction shall find that any such restriction or remedy is unenforceable, but would be enforceable if some part were deleted or modified, then such restriction or remedy shall apply with the deletion or modification necessary to make it enforceable and shall in no way affect any other provision of this Agreement or the validity or enforceability of this Agreement.

(c) Injunctive Relief. The Company has entered into this Agreement in order to obtain the benefit of your unique skills, talent, and experience. You acknowledge and agree that any violation of paragraphs 6, 7, 8 and 9 shall result in irreparable damage to the Company, and, accordingly, the Company may obtain injunctive and other equitable relief for any breach or threatened breach of such paragraphs, in addition to any other remedies available to the Company. To the extent permitted by applicable law, you hereby waive any right to the posting of a bond in connection with any injunction or other equitable relief sought by the Company and you agree not to seek such relief in your opposition to any application for relief the Company shall make.

(d) Other Remedies. In the event that you materially violate the provisions of paragraphs 6, 7, 8 or 9 at any time during the Non-Competition Period or any period in which the Company is making payments to you pursuant to this Agreement, (i) any outstanding stock options or other undistributed equity awards granted to you by the Company shall immediately be forfeited, whether vested or unvested;

and (ii) the Company's obligation to make any further payments or to provide benefits (other than Accrued Compensation and Benefits) to you pursuant to this Agreement shall terminate. The Company shall give you written notice prior to commencing any remedy under this paragraph 18(d) or, if no cure period is applicable, contemporaneous with such commencement, setting forth the nature of any alleged violation in reasonable detail and the conduct required to cure such violation. Except for a violation which, by its nature, cannot reasonably be expected to be cured, you shall have ten (10) business days from the giving of such notice within which to cure; provided, however, that, if the Company reasonably expects irreparable injury from a delay of ten (10) business days, the Company may give you notice of such shorter period within which to cure as is reasonable under the circumstances, which may include commencement of a remedy without notice and with immediate effect. The remedies under this paragraph 18 are in addition to any other remedies the Company may have against you, including under this Agreement or any other agreement, under any equity or other incentive or compensation plan or under applicable law.

19. General Provisions.

(a) Deductions and Withholdings. In the event of the termination of your employment for any reason, the Company reserves the right, to the extent permitted by law and in addition to any other remedy the Company may have, to deduct from any monies that are otherwise payable to you, and that do not constitute deferred compensation within the meaning of Section 409A of the Code, the regulations promulgated thereunder or any related guidance issued by the U.S. Treasury Department ("Section 409A") all monies and the replacement value of any property you may owe to the Company at the time of or subsequent to the termination of your employment with the Company. The Company shall not make any such deduction from any amount that constitutes deferred compensation for purposes of Section 409A. To the extent any law requires an employee's consent to the offset provided in this paragraph and permits such consent to be obtained in advance, this Agreement shall be deemed to provide the required consent. Except as otherwise expressly provided in this Agreement or in any Company benefit plan, all amounts payable under this Agreement shall be paid in accordance with the Company's ordinary payroll practices less deductions and income and payroll tax withholding as may be required under applicable law. Any property (including shares of Class B Common Stock), benefits and perquisites provided to you under this Agreement, including, without limitation, COBRA payments made on your behalf, shall be taxable to you as provided by law.

(b) Cash and Equity Awards Modifications. Notwithstanding any other provisions of this Agreement to the contrary, the Company reserves the right to modify or amend unilaterally the terms and conditions of your cash compensation, stock option awards or other equity awards, without first asking your consent, to the extent that the Company considers such modification or amendment necessary or advisable to comply with any law, regulation, ruling, judicial decision, accounting standard, regulatory guidance or other legal requirement (the "Legal Requirement") applicable to such cash compensation, stock option awards or other equity awards, provided that, except where necessary to comply with law, such amendment does not have a material adverse effect on the value of such compensation award to you. In addition, the Company may, without your consent, amend or modify your cash compensation, stock option awards or other equity awards in any manner that the Company considers necessary or advisable to ensure that such cash compensation, stock option awards or other equity awards are not subject to United States federal income tax, state or local income tax or any equivalent taxes in territories outside the United States prior to payment, exercise, vesting or settlement, as applicable, or any tax, interest or penalties pursuant to Section 409A.

(c) Section 409A Provisions.

(i) The Company may, without your consent, amend any provision of this Agreement to the extent that, in the reasonable judgment of the Company, such amendment is necessary or advisable to avoid the imposition on you of any tax, interest or penalties pursuant to Section 409A or otherwise to make this Agreement enforceable. Any such amendment shall maintain, to the maximum extent practicable, the original intent and economic benefit to you of the applicable provision.

(ii) It is the intention and understanding of the parties that all amounts and benefits to which you become entitled under this Agreement will be paid or provided to you pursuant to a fixed schedule within the meaning of Section 409A. Notwithstanding such intention and understanding, in the event that you are a specified employee as determined by the Company (a "Specified Employee") at the time of your Separation from Service (as defined below), then to the extent that any amount or benefit owed to you under this Agreement (x) constitutes an amount of deferred compensation for purposes of Section 409A and (y) is considered for purposes of Section 409A to be owed to you by virtue of your Separation from Service, then such amount or benefit shall not be paid or provided during the six (6) month period following the date of your Separation from Service and instead shall be paid or provided on the first day of the seventh month following your date of Separation from Service; *provided*, *however*, that such delay shall apply only to the extent that such payments and benefits, in the aggregate, exceed the lesser of an amount equal to (x) two (2) times your annualized compensation (as determined under the Code Section 409A regulations) and (y) two (2) times the applicable Code Section 401(a)(17) annual compensation limit for the year in which your termination occurs; *provided*, *further*, that any payments made during such six (6) month period shall first be made to cover all costs relating to medical, dental and life insurance coverage to which you are entitled under this Agreement and thereafter shall be made in respect of other amounts or benefits owed to you.

(iii) As used herein, "Separation from Service" shall mean either (i) the termination of your employment with the Company and its affiliates, provided that such termination of employment meets the requirements of a separation of service determined using the default provisions set forth in Treasury Regulation §1.409A-(1)(h) or the successor provision thereto or (ii) such other date that constitutes a separation from service with the Company and its affiliates meeting the requirements of the default provisions set forth in Treasury Regulation §1.409A-(1)(h) or the successor provision thereto. For purposes of this definition, "affiliate" means any corporation that is in the same controlled group of corporations (within the meaning of Code Section 414(b)) as the Company and any trade or business that is under common control with the Company (within the meaning of Code Section 414(c)), determined in accordance with the default provision set forth in Treasury Regulation §1.409A-(1)(h)(3).

(iv) If under any provision of this Agreement you become entitled to be paid Salary continuation, then each payment of Salary during the relevant continuation period shall be considered, and is hereby designated as, a separate payment for purposes of Section 409A (and consequently your entitlement to such Salary continuation shall not be considered an entitlement to a single payment of the aggregate amount to be paid during the relevant continuation period).

(d) No Duplicative Payments. The payments and benefits provided in this Agreement in respect to the termination of employment and non-renewal of this Agreement are in lieu of any other salary, bonus or benefits payable by the Company, including, without limitation, any severance or income continuation or protection under any the Company plan that may now or hereafter exist. All such payments and benefits shall constitute liquidated damages, paid in full and final settlement of all obligations of the Company to you under this Agreement.

(e) Payment of Bonus Compensation.

(i) The Bonus for any Company fiscal year under this Agreement shall be paid by March 15th of the following year.

(ii) Except as otherwise expressly provided in this Agreement, your Bonus shall be prorated (x) to apply only to that part of the Company's fiscal year which falls within the Contract Period and (y) to the extent the Company's fiscal year is less than a 12-month fiscal year (a "Pro-Rated Bonus"). Following expiration of the Contract Period, you shall receive a Pro-Rated Bonus for the period of the Company's fiscal year which falls within the Contract Period only (x) in the event that the Company terminates your employment without Cause prior to the date on which employees of the Company become entitled to Bonus under the STIP, (y) as provided in paragraph 11(b)(ii) or (z) as provided in the STIP.

(iii) Any Bonus or Pro-Rated Bonus payable pursuant to paragraphs 11, 13 or 14 shall be paid at the lesser of (x) your Target Bonus amount or (y) your Target Bonus amount, adjusted based on the Company Performance Factor for the relevant year.

(f) Parachute Payment Adjustments. Notwithstanding anything herein to the contrary, in the event that you receive any payments or distributions, whether payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, that constitute "parachute payments" within the meaning of Section 280G of the Code, and the net after-tax amount of the parachute payment is less than the net after-tax amount if the aggregate payment to be made to you were three times your "base amount" (as defined in Section 280G(b)(3) of the Code) less $1.00, then the aggregate of the amounts constituting the parachute payment shall be reduced to an amount that shall equal three times your base amount, less $1.00. The determinations to be made with respect to this paragraph 19(f) shall be made by a certified public accounting firm designated by the Company and reasonably acceptable to you.

(g) Adjustments to Bonuses and Long-Term Incentive Compensation. Notwithstanding anything herein to the contrary, the Company shall be entitled to adjust the amount of any Bonus or any award of long-term incentive compensation if the financial statements of ViacomCBS or the business unit on which the calculation or determination of the Bonus or award of long-term incentive compensation were based are subsequently restated and, in the judgment of ViacomCBS, the financial statements as so restated would have resulted in a smaller Bonus or long-term incentive compensation award if such information had been known at the time the Bonus or award had originally been calculated or determined. In addition, in the event of such a restatement: (i) the Company may require you, and you agree, to repay to the Company the amount by which the Bonus as originally calculated or determined exceeds the Bonus as adjusted pursuant to the preceding sentence; and (ii) the Company may cancel, without any payment therefor, the portion of any award of long-term incentive compensation that exceeds the award adjusted pursuant to the preceding sentence (or, if such portion of an award cannot be canceled because (x) in the case of stock options or other similar awards, you have previously exercised it, the Company may require you, and you agree, to repay to the Company the amount, net of any exercise price, that you realized upon exercise or (y) in the case of restricted share units or other similar awards, shares of Class B Common Stock were delivered to you in settlement of such award, the Company may require you, and you agree to return the shares of Class B Common Stock, or if such shares were sold by you, return any proceeds realized on the sale of such shares).

(h) Mediation. Prior to the commencement of any legal proceeding relating to your employment, you and the Company agree to attempt to mediate the dispute using a professional mediator from JAMS, The Resolution Experts (“JAMS”). Within a period of 30 days after a written request for mediation by either you or the Company, the parties agree to convene with the mediator, for at least one session to attempt to resolve the matter. In no event will mediation delay commencement of any legal proceeding for more than 30 days absent agreement of the parties or prevent a bona fide application by either party to a court of competent jurisdiction for emergency relief. The fees of the mediator and of the JAMS shall be borne by the Company.

20. Additional Representations and Acknowledgments.

(a) No Acceptance of Payments. You represent that you have not accepted or given nor shall you accept or give, directly or indirectly, any money, services or other valuable consideration from or to anyone other than the Company or the Company for the inclusion of any matter as part of any film, television, internet or other programming produced, distributed and/or developed by the Company.

(b) Company Policies. You recognize that the Company is an equal opportunity employer. You agree that you shall comply with the Company’s employment practices and policies, as they may be amended from time to time, and with all applicable federal, state and local laws prohibiting discrimination on any basis. In addition, you agree that you shall comply with any code of conduct, ethics or business policies adopted by the Company from time to time and the Company’s other policies and procedures, as they may be amended from time to time, and provide the certifications and conflict of interest disclosures required by such policies.

(c) No Restriction on Employment. You represent that (i) you have disclosed to the Company all employment agreements, covenants and restrictions to which you are or have been a party; and (ii) you reasonably believe you are not subject to any covenant, agreement or restriction (including, but not limited to, a covenant of non competition) with or by any third party that would prevent you from beginning your employment on August 10, 2020 and thereafter performing your duties and responsibilities for the Company, or would impinge upon, interfere with, or restrict your ability to perform your duties or responsibilities for the Company under this Agreement.

21. Notices. Notices under this Agreement must be given in writing, by personal delivery, regular mail or receipted email, at the parties’ respective addresses shown on this Agreement (or any other address designated in writing by either party), with a copy, in the case of the Company, to the attention of ViacomCBS’s General Counsel. Any notice given by regular mail shall be deemed to have been given three (3) days following such mailing.

22. Binding Effect; Assignment. This Agreement and rights and obligations of the Company hereunder shall not be assigned by the Company, provided that the Company may assign this Agreement to any subsidiary or affiliated company of or any successor in interest to the Company provided that such

assignee assumes all of the obligations of the Company hereunder. This Agreement is for the performance of personal services by you and may not be assigned by you, except that the rights specified in Section 13 shall pass upon your death to your designated beneficiary (or, if there is no such beneficiary, your estate).

23. **GOVERNING LAW AND FORUM. You acknowledge that this agreement has been executed, in whole or in part, in New York. Accordingly, you agree that this Agreement and all matters or issues arising out of or relating to your employment with the Company shall be governed by the laws of the State of New York applicable to contracts entered into and performed entirely therein. Any action to enforce or otherwise relating to this Agreement and the rights and obligations hereunder shall be brought solely in the state or federal courts located in the City of New York, Borough of Manhattan.**

24. No Implied Contract. Nothing contained in this Agreement shall be construed to impose any obligation on the Company or you to renew this Agreement or any portion hereof or on the Company to establish or maintain any benefit, welfare or compensation plan or program or to prevent the modification or termination of any benefit, welfare or compensation plan or program or any action or inaction with respect to any such benefit, welfare or compensation plan or program. The parties intend to be bound only upon full execution of a written agreement by both parties and no negotiation, exchange of draft, partial performance or tender of an agreement (including any extension or renewal of this Agreement) executed by one party shall be deemed to imply an agreement or the renewal or extension of any agreement relating to your employment with the Company. Neither the continuation of employment nor any other conduct shall be deemed to imply a continuing agreement upon the expiration of the Contract Period.

25. Severability. In the event any provision or part of this Agreement is found to be invalid or unenforceable, only that particular provision or part so found, and not the entire Agreement, shall be inoperative.

26. Entire Understanding. This Agreement contains the entire understanding of the parties hereto relating to the subject matter contained in this Agreement, and**,** except as otherwise provided herein**,** can be modified only by a writing signed by both parties.

27. Supersedes Prior Agreements. With respect to the period covered by the Contract Period, this Agreement supersedes and cancels all prior agreements relating to your employment with the Company.

Please confirm your understanding of the Agreement by signing and returning all two (2) copies of this Agreement. This document shall constitute a binding agreement between us only after it also has been executed by the Company and a fully executed copy has been returned to you. Facsimile signatures, digital signatures, and signatures delivered and obtained in e-mail PDF format will be deemed originals for all purposes.

Very truly yours,

VIACOMCBS INC.

By: /s/ Nancy Phillips
Nancy Phillips
Executive Vice President,
Chief People Officer

ACCEPTED AND AGREED:

/s/ Naveen Chopra

Naveen Chopra

Dated: Jun 30, 2020

Appendix A

[Insert name and home address]

This General Release of all Claims (this "Agreement") is entered into by [insert executive's name] (the "Executive") and [insert name of employer] (the "Company"), effective as of __________________.[1] For purposes of this Agreement, "ViacomCBS" shall mean ViacomCBS Inc. and its subsidiaries.

In consideration of the promises set forth in the letter agreement between the Executive and the Company, dated [insert date] (the "Employment Agreement"), the Executive and the Company agree as follows:

1. Return of Property. All Company files, access keys and codes, desk keys, ID badges, computers, records, manuals, electronic devices, computer programs, papers, electronically stored information or documents, telephones and credit cards, and any other property of the Company in the Executive's possession must be returned no later than the date of the Executive's termination from the Company.

2. General Release and Waiver of Claims.

(a) Release. In consideration of the payments and benefits provided to the Executive under the Employment Agreement and after consultation with counsel, the Executive and each of the Executive's respective heirs, executors, administrators, representatives, agents, insurers, successors and assigns (collectively, the "Releasors") hereby irrevocably and unconditionally release and forever discharge the Company, ViacomCBS and their subsidiaries and affiliates, predecessors, successors and each of their respective officers, employees, directors, shareholders and agents ("Releasees") from any and all claims, actions, causes of action, rights, judgments, obligations, damages, demands, accountings or liabilities of whatever kind or character (collectively, "Claims"), including, without limitation, any Claims under any federal, state, local or foreign law, that the Releasors may have, or in the future may possess, arising out of (i) the Executive's employment relationship with and service as an employee, officer or director of the Company, or any subsidiaries, successors, predecessors or affiliated companies and the termination of such relationship or service, and (ii) any event, condition, circumstance or obligation that occurred, existed or arose on or prior to the date hereof and relates to your employment with the Company; provided, however, that the Executive does not release, discharge or waive any rights to (i) payments and benefits provided under the Employment Agreement that are contingent upon the execution by the Executive of this Agreement or otherwise expressly survive termination thereof and (ii) any indemnification rights the Executive may have in accordance with the Company's governance instruments or under any director and officer liability insurance maintained by the Company with respect to liabilities arising as a result of the Executive's service as an officer and employee of the Company. Executive represents that the Executive does not have, and has not asserted, any Claims for or allegations concerning sexual or gender-based harassment with respect to the Executive's employment with the Company.

(b) Specific Release of ADEA Claims. In further consideration of the payments and benefits provided to the Executive under the Employment Agreement, the Releasors hereby unconditionally release and forever discharge the Releasees from any and all Claims that the Releasors may have as of the date the Executive signs this Agreement arising under the Federal Age Discrimination

[1] This date should coincide with termination of employment and should not be filled in at the time of the signing of the employment agreement.

in Employment Act of 1967, as amended, including the Older Workers Benefit Protection Act of 1990 ("OWBPA"), and the applicable rules and regulations promulgated thereunder ("ADEA"). By signing this Agreement, the Executive hereby acknowledges and confirms the following: (i) the Executive was advised by the Company in connection with the Executive's termination to consult with an attorney of the Executive's choice prior to signing this Agreement and to have such attorney explain to the Executive the terms of this Agreement, including, without limitation, the terms relating to the Executive's release of claims arising under ADEA, and the Executive has in fact consulted with an attorney; (ii) the Executive was given a period of not fewer than 21**[45]**[2] days to consider the terms of this Agreement and to consult with an attorney of the Executive's choosing with respect thereto; (iii) the Executive knowingly and voluntarily accepts the terms of this Agreement; and (iv) the Executive is providing this release and discharge only in exchange for consideration in addition to anything of value to which the Executive is already entitled. The Executive also understands that the Executive has seven (7) days following the date on which the Executive signs this Agreement within which to revoke the release contained in this paragraph 2(b), by providing the Company a written notice of the Executive's revocation of the release and waiver contained in this paragraph 2(b); provided, however, that if the Executive exercises the Executive's right to revoke the release contained in this paragraph 2(b), the Executive shall not be entitled to any amounts paid to the Executive under the termination provisions of the Employment Agreement and the Company may reclaim any such amounts paid to the Executive and may terminate any benefits and payments that are subsequently due under the Employment Agreement, except as prohibited by the ADEA and OWBPA.

(c) No Assignment. The Executive represents and warrants that the Executive has not assigned any of the Claims being released under this Agreement. The Company may assign this Agreement, in whole or in part, to any affiliated company or subsidiary of, or any successor in interest to, the Company.

3. Communications with Administrative Agencies. Nothing in this Agreement precludes or is intended to preclude the Executive from: (i) filing a complaint and/or charge with any federal, state, or local governmental agency and/or cooperating with said agency in an investigation, including but not limited to the Equal Employment Opportunity Commission and the Securities and Exchange Commission; (ii) responding to a request for information from any governmental agency, including without limitation, agencies overseeing unemployment insurance benefits and taxing authorities; or (iii) engaging in activities protected by state, local or federal law. Should any complaint, action or charge be brought against a Releasee concerning Executive's employment with the Company or the cessation thereof (or any other matter released pursuant to paragraph 2), Executive has waived, by signing this Agreement (unless such waiver is prohibited by applicable law), any right to any individual relief, including monetary damages, in connection with such complaint or charge, regardless of who brings any such complaint or charge, except that this Agreement does not limit Executive's right to receive an award for information provided to any governmental agency.

4. Remedies. In the event the Executive initiates or voluntarily participates in any Proceeding in violation of this Agreement, or if the Executive fails to abide by any of the terms of this Agreement or the Executive's post-termination obligations contained in the Employment Agreement, the Company may, in addition to any other remedies it may have, reclaim any amounts paid to the Executive under the termination provisions of the Employment Agreement and terminate any benefits or payments that are subsequently due under the Employment Agreement, except as prohibited by the ADEA and OWBPA, without waiving the release granted herein. The Executive acknowledges and agrees that the remedy at law available to the Company for breach of any of the Executive's post-termination obligations under the Employment Agreement or the Executive's obligations under paragraphs 2 and 3 herein would

[2] 45 days in a RIF scenario

be inadequate and that damages flowing from such a breach may not readily be susceptible to being measured in monetary terms. Accordingly, the Executive acknowledges, consents and agrees that, in addition to any other rights or remedies that the Company may have at law or in equity or as may otherwise be set forth in the Employment Agreement, the Company shall be entitled to seek a temporary restraining order or a preliminary or permanent injunction, or both, without bond or other security, restraining the Executive from breaching the Executive's post-termination obligations under the Employment Agreement or the Executive's obligations under paragraphs 2 and 3 herein. Such injunctive relief in any court shall be available to the Company, in lieu of, or prior to or pending determination in, any arbitration proceeding.

The Executive understands that by entering into this Agreement the Executive shall be limiting the availability of certain remedies that the Executive may have against the Company and limiting also the Executive's ability to pursue certain claims against the Company.

5. Severability Clause. In the event any provision or part of this Agreement is found to be invalid or unenforceable, only that particular provision or part so found, and not the entire Agreement, shall be inoperative.

6. Nonadmission. Nothing contained in this Agreement shall be deemed or construed as an admission of wrongdoing or liability on the part of the Company.

7. GOVERNING LAW AND FORUM. The Executive acknowledges that this Agreement has been executed, in whole or in part, in New York. Accordingly, the Executive agrees that this Agreement and all matters or issues arising out of or relating to the Executive's employment with the Company shall be governed by the laws of the State of New York applicable to contracts entered into and performed entirely therein. Any action to enforce or otherwise relating to this Agreement and the rights and obligations hereunder shall be brought solely in the state or federal courts located in the City of New York, Borough of Manhattan.

8. Notices. Notices under this Agreement must be given in writing, by personal delivery, regular mail or receipted email, at the parties' respective addresses shown on this Agreement (or any other address designated in writing by either party), with a copy, in the case of the Company, to the attention of the ViacomCBS General Counsel. Any notice given by regular mail shall be deemed to have been given three (3) days following such mailing.

THE EXECUTIVE ACKNOWLEDGES THAT THE EXECUTIVE HAS READ THIS AGREEMENT AND THAT THE EXECUTIVE FULLY KNOWS, UNDERSTANDS AND APPRECIATES ITS CONTENTS, AND THAT THE EXECUTIVE HEREBY EXECUTES THE SAME AND MAKES THIS AGREEMENT AND THE RELEASE AND AGREEMENTS PROVIDED FOR HEREIN VOLUNTARILY AND OF THE EXECUTIVE'S OWN FREE WILL.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

[INSERT NAME OF EMPLOYER]

By: ______________________________________

[Insert name of Company representative]
Insert title of Company representative]

THE EXECUTIVE

____

[Insert name of Executive]

Dated: ________________________________

Exhibit 10(b)
EXECUTION COPY

June 30, 2020

Mr. Naveen Chopra
c/o last address on file
with the Company

Dear Mr. Chopra:

Reference is made to that certain employment agreement between you and the Company dated June 30, 2020 (your "Employment Agreement"). All defined terms used but not defined herein shall have the meanings set forth in your Employment Agreement, as applicable.

This letter is to confirm our understanding, notwithstanding any provision in your Employment Agreement, that you shall receive a one-time lump sum payment in the amount of Two Million Dollars ($2,000,000), less applicable withholdings and deductions, payable within ten (10) days of the Effective Date (the "Signing Bonus"). In the event that you resign employment with the Company other than for Good Reason during the first twelve (12) months following the Effective Date, you must repay the Signing Bonus. In the event that you resign employment with the Company other than for Good Reason thirteen (13) to twenty-four (24) months following the Effective Date, you must replay fifty percent (50%) of the Signing Bonus.

This letter is also to confirm our understanding, notwithstanding any provision in your Employment Agreement, that you shall receive a one-time special equity award in the form of Restricted Share Units (RSUs) of ViacomCBS Class B common stock with a grant date value of Four Million Five Hundred Thousand Dollars ($4,500,000). Such award shall be granted on the tenth (10th) business day immediately following the Effective Date and the number of RSUs granted shall equal the grant date value of $4,500,000 divided by the closing price of the ViacomCBS Class B common stock on the date of grant rounded down to the nearest whole number. The RSUs granted shall vest 25% annually on the 1st, 2nd, 3rd and 4th anniversaries of the grant date subject to the Terms & Conditions of the award. In the event that you are terminated without Cause or resign for Good Reason in accordance with paragraph 11 of the Employment Agreement, this one-time special equity award shall continue to vest at the same time as if you remained actively employed with the Company.

This letter is also to confirm our understanding, notwithstanding any provision in your Employment Agreement, that you shall receive a one-time special equity award in lieu of your 2021 LTMIP equity award on the tenth (10th) business day immediately following the Effective Date and the number of RSUs granted shall equal the grant date value of $3,000,000 divided by the closing price of the ViacomCBS Class B common stock on the date of grant rounded down to the nearest whole number. The RSUs granted shall vest 25% annually on the 1st, 2nd, 3rd and 4th anniversaries of the grant date subject to the Terms & Conditions of the award. In the event that you are terminated without Cause or resign for Good Reason in accordance with paragraph 11 of the Employment Agreement, this one-time special equity award shall continue to vest at the same time as if you remained actively employed with the Company. For the avoidance of doubt, your first regular LTMIP grant shall be made in 2022.

This letter is also to confirm our understanding, notwithstanding any provision in your Employment Agreement, that the Company will also reimburse you, upon your submission of a request for expense reimbursement, for the value of any pro-rata reimbursements of relocation payments you have been required to make to your former employer due to your termination of employment with that employer prior to the first anniversary of such employment.

This letter is also to confirm our understanding, notwithstanding any provision in your Employment Agreement, that you will be required to relocate to the greater New York City metropolitan area no later than July 1, 2021, and that you will be eligible for relocation benefits at the same level and on the same terms and conditions as other similarly-situated executives.

Except as herein amended, all other terms and conditions of your Employment Agreement shall remain the same and your Employment Agreement as herein amended shall remain in full force and effect.

If the foregoing correctly sets forth our understanding, please sign and return both copies of this letter that have been provided to you. This document shall constitute a binding agreement between us only after it also has been executed by the Company and a fully executed copy has been returned to you.

Very truly yours,

VIACOMCBS INC.

By: /s/ Nancy Phillips

Name: Nancy Phillips

Title: Executive Vice President,
Chief People Officer

ACCEPTED AND AGREED:

/s/ Naveen Chopra

Naveen Chopra

Dated: Jun 30, 2020

Exhibit 10(c)
EXECUTION COPY

July 23, 2020

Ms. Christina Spade
c/o ViacomCBS Inc.
1515 Broadway
New York, NY 10036

Dear Ms. Spade:

Reference is made to the employment agreement between you (the “Executive”) and CBS Corporation, now known as ViacomCBS Inc. (“CBS”), dated August 13, 2019 (your “Employment Agreement”). All defined terms used without being defined herein shall have the meanings ascribed to them in the Employment Agreement. This letter amends your Employment Agreement as follows, in exchange for your signature on the attached release:

1. Paragraph 7(b)(i) is deleted in its entirety and replaced with the following: “Your employment with CBS is terminated without cause effective at the end of the day on December 1, 2020; provided however that if your employment ends before December 1, 2020 due to your death or Disability, then the termination shall be deemed a termination pursuant to Paragraph 7(b) as of the day of your death or Disability; and provided further that any such deemed termination shall not adversely affect any insurance coverage provided under paragraphs 7(e) or (f). Such termination has been approved by the Required Vote.”

2. Paragraph 7(b)(ii) shall be amended by adding the following sentence to the end: “For the avoidance of doubt, the payments and benefits contemplated by this paragraph 7(b)(ii) shall be based on your compensation and benefits in effect immediately prior to signing the letter amendment dated July 23, 2020.”

3. Paragraph 2 is amended to add the following sentence to the end of the paragraph: “Effective August 10, 2020, you will move into a role as financial advisor to the Company to aid in the transition to a new Chief Financial Officer. You will perform duties and responsibilities reasonably consistent with this role as assigned to you by the President and Chief Executive Officer. For the avoidance of doubt, effective August 10, 2020, you will no longer be the Company’s Chief Financial Officer.”

4. Paragraph 3(a) is amended to add the following sentence to the end of the paragraph: “Notwithstanding the foregoing, effective August 10, 2020, your annual base salary will be reduced to Seven Hundred Thousand Dollars ($700,000), less applicable deductions and withholding taxes, in accordance with the Company’s payroll practices as may exist from time to time.”

5. Paragraph 3(b)(ii) is amended to add the following sentence to the end of the paragraph: “Notwithstanding the foregoing, or anything else contained herein, your 2020 Target Bonus shall be determined as follows: For the period from January 1, 2020 through August 9, 2020, your Target Bonus shall be based on your annual base salary for that time period of One Million Four Hundred Thousand Dollars ($1,400,000) and, for the period from August 10, 2020 through December 1, 2020, your Target Bonus shall be based on your annual base salary for that time period of Seven Hundred Thousand Dollars ($700,000). For payments under Paragraph 7(b)(ii) and the CBS Retention Plan with respect to the period

after December 1, 2020, your STIP shall be based on an annual salary of One Million Four Hundred Thousand Dollars ($1,400,000).”

6. Paragraph 3(c)(i) is amended to add the following sentence to the end of the paragraph: “Your 2021 LTIP grant shall be made on or before December 1, 2020. If your employment ends before December 1, 2020 due to death or Disability, then the 2021 LTIP grant shall be deemed to have been made the day before such termination.”

Except as otherwise provided herein, the Employment Agreement shall continue in full force and effect in accordance with its terms.

This letter also confirms our understanding, notwithstanding anything in the Employment Agreement, that the Company shall promptly, upon submission of an appropriately detailed invoice, pay your legal fees reasonably incurred in connection with this letter agreement and release, up to a total of Twenty Thousand Dollars ($20,000).

If the foregoing correctly sets forth our understanding, please sign, date, and return this letter and the attached release to the undersigned for execution on behalf of ViacomCBS.

Very truly yours,

VIACOMCBS INC.

By: /s/ Nancy Phillips
Name: Nancy Phillips
Title: Executive Vice President,
Chief People Officer

ACCEPTED AND AGREED:

/s/ Christina Spade
Christina Spade

Dated: Jul 23, 2020

ATTACHMENT A

GENERAL RELEASE

WHEREAS, Christina Spade (hereinafter referred to as the "***Executive***") and ViacomCBS Inc. (hereinafter referred to as "***Employer***") are parties to an Employment Agreement, dated as of August 13, 2019, and amended as of July 23, 2020 (the "***Employment Agreement***"), which provided for Executive's employment with Employer on the terms and conditions specified therein; and

WHEREAS, the parties have agreed that Executive will transition out of her role as Chief Financial Officer effective August 9, 2020 and will thereafter serve as a financial advisor to the Company to aid in the transition to a new Chief Financial Officer from August 10, 2020 through December 1, 2020; and

NOW, THEREFORE, in consideration of the premises and mutual promises herein contained and for other good and valuable consideration received or to be received by Executive in accordance with the terms of the Employment Agreement, it is agreed as follows:

1. Excluding enforcement of the covenants, promises and/or rights reserved herein (including but not limited to those contained in paragraph 4), (a) Executive hereby irrevocably and unconditionally waives, releases, settles (gives up), acquits and forever discharges Employer and each of Employer's owners, stockholders, predecessors, successors, assigns, directors, officers, employees, divisions, subsidiaries, affiliates (and directors, officers and employees of such companies, divisions, subsidiaries and affiliates) and all persons acting by, through, under or in concert with any of them (collectively, the "***Releasees***"), or any of them, from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts and expenses (including attorneys' fees and costs actually incurred) of any nature whatsoever, known or unknown, suspected or unsuspected, including, but not limited to, any claims for salary, salary increases, alleged promotions, expanded job responsibilities, constructive discharge, misrepresentation, bonuses, equity awards of any kind, severance payments, unvested retirement benefits, vacation entitlements, benefits, moving expenses, business expenses, attorneys' fees, any claims which she may have under any contract or policy (whether such contract or policy is written or oral, express or implied), rights arising out of alleged violations of any covenant of good faith and fair dealing (express or implied), any tort, any legal restrictions on Employer's right to terminate employees, and any claims which she may have based upon any Federal, state or other governmental statute, regulation or ordinance, including, without limitation, Title VII of the Civil Rights Act of 1964, as amended, the Federal Age Discrimination In Employment Act of 1967, as amended ("***ADEA***"), the Employee Retirement Income Security Act of 1974, as amended ("***ERISA***"), the American with Disabilities Act, as amended ("***ADA***"), the Civil Rights Act of 1991, as amended, the Rehabilitation Act of 1973, as amended, the Older Workers Benefit Protection Act, as amended ("***OWBPA***"), the Worker Adjustment Retraining and Notification Act, as amended ("***WARN***"), the Fair Labor Standards Act, as amended ("***FLSA***"), the Occupational Safety and Health Act of 1970 ("***OSHA***"), the Family and Medical Leave Act of 1993, as amended ("***FMLA***"), the New York State Human Rights Law, as amended, the New York Labor Act, as amended, the New York Equal Pay Law, as amended, the New York Civil Rights Law, as amended, the New York Rights of Persons With Disabilities Law, as amended, and the New York Equal Rights Law, as amended,

the Sarbanes-Oxley Act of 2002, as amended ("***SOX***"), and Section 409A of the Internal Revenue Code of 1986, as amended ("***Section 409A***"), that Executive now has, or has ever had, or ever shall have, against each or any of the Releasees, by reason of any and all acts, omissions, events, circumstances or facts existing or occurring up through the date of Executive's execution hereof that directly or indirectly arise out of, relate to, or are connected with, Executive's services to, or employment by Employer (any of the foregoing being a "***Claim***" or, collectively, the "***Claims***"); provided, that the foregoing shall not preclude Executive from exercising any legally protected whistleblower rights (including under Rule 21F under the Exchange Act) or rights concerning the defense of trade secrets; and (b) Executive will not now, or in the future, accept any recovery (including monetary damages or any form of personal relief) in any forum, nor will she pursue or institute any Claim against any of the Releasees.

2. Employer hereby irrevocably and unconditionally waives, releases, settles (gives up), acquits and forever discharges the Executive and each of her respective heirs, executors, administrators, representatives, agents, successors and assigns ("***Executive Parties***"), or any of them, from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts and expenses (including attorneys' fees and costs actually incurred) of any nature whatsoever, known or unknown, suspected or unsuspected, that Employer and each of its affiliates now has, or has ever had, or ever shall have, against Executive Parties, by reason of any and all acts, omissions, events, circumstances or facts existing or occurring through the date of Employer execution of this release that directly or indirectly arise out of, relate to, or are connected with, the Executive's services to, or employment by Employer or any of its affiliates; provided, however, that this General Release shall not apply to any of the continuing obligations of Executive under the Employment Agreement, or under any agreements, plans, contracts, documents or programs described or referenced in the Employment Agreement; and provided, further, that this General Release shall not apply to any rights Employer may have to obtain contribution or indemnity against Executive pursuant to contract or otherwise.

3. In addition, if applicable Executive expressly waives and relinquishes all rights and benefits afforded by California Civil Code Section 1542 and does so understanding and acknowledging the significance of such specific waiver of Section 1542. Section 1542 states as follows:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

Thus, notwithstanding the provisions of Section 1542, and for the purpose of implementing a full and complete release and discharge of the Releasees, Executive expressly acknowledges that this Agreement is intended to include in its effect, without limitation, all Claims that Executive does not know or suspect to exist in Executive's favor at the time of execution hereof, and that this Agreement contemplates the extinguishment of any such Claim or Claims.

4. Notwithstanding the foregoing, neither the Employer nor the Executive has waived and/or relinquished any rights she may have to file any Claim that cannot be waived and/or relinquished pursuant to applicable laws, including, in the case of Executive, the right to file a charge or participate in any investigation with the Equal Employment Opportunity Commission or any other governmental or administrative agency that is responsible for enforcing a law on behalf of the government. Executive also acknowledges and understands that because Executive is waiving and releasing all claims for monetary damages and any other form of personal relief per paragraph 1, Executive may only seek and receive non-personal forms of relief through any such claim. Moreover, this General Release shall not apply to (a) any of the continuing obligations of Employer or any other Releasee under the Employment Agreement, or under any agreements, plans, contracts, documents or programs described or referenced in the Employment Agreement or any other written agreement entered into between Executive and Employer, (b) any rights Executive may have to obtain contribution or indemnity against Employer or any other Releasee pursuant to contract, Employer's certificate of incorporation and by-laws, Agreement and Plan of Merger dated as of August 13, 2019, by and between CBS Corporation and Viacom Inc., or otherwise, (c) any rights Executive may have to enforce the terms of this General Release or the Employment Agreement, (d) any claims for accrued, vested benefits under any employee benefit or pension plan of Employer or its affiliates subject to the terms and conditions of such plan or pursuant to applicable law, (e) any rights of Executive in connection with her interest as a stockholder or optionholder of Employer whether under agreements between Executive and Employer or any of its affiliates or otherwise, and (f) any rights of Executive under that certain CBS Corporation Senior Executive Retention Plan.

5. Executive understands that she has been given a period of twenty-one (21) days to review and consider this General Release before signing it pursuant to the ADEA. Executive further understands that she may use as much of this 21–day period as Executive wishes prior to signing.

6. Executive acknowledges and represents that she understands that she may revoke the General Release set forth in paragraph 1, including, the waiver of her rights under the Age Discrimination in Employment Act of 1967, as amended, effectuated in this General Release, within seven (7) days of signing this General Release. Revocation can be made by delivering a written notice of revocation to the General Counsel, ViacomCBS Inc., 1515 Broadway, New York, New York 10036. For this revocation to be effective, written notice must be received by the General Counsel no later than the close of business on the seventh day after Executive signs this General Release. If Executive revokes the General Release set forth in paragraphs 1 and 3, Employer shall have no obligations to Executive under paragraphs 7(b)(ii), 7(d)(ii) or 7(g)(ii) of the Employment Agreement, except to the extent specifically provided for therein.

7. Executive and Employer respectively represent and acknowledge that in executing this General Release neither of them is relying upon, and has not relied upon, any representation or statement not set forth herein made by any of the agents, representatives or attorneys of the Releasees with regard to the subject matter, basis or effect of this General Release or otherwise.

8. This General Release shall not in any way be construed as an admission by any of the Releasees that any Releasee has acted wrongfully or that Executive has any rights whatsoever

against any of the Releasees except as specifically set forth herein, and each of the Releasees specifically disclaims any liability to any party for any wrongful acts.

9. It is the desire and intent of the parties hereto that the provisions of this General Release be enforced to the fullest extent permissible under law. Should there be any conflict between any provision hereof and any present or future law, such law shall prevail, but the provisions affected thereby shall be curtailed and limited only to the extent necessary to bring them within the requirements of law, and the remaining provisions of this General Release shall remain in full force and effect and be fully valid and enforceable.

10. Executive represents and agrees (a) that Executive has, to the extent she desires, discussed all aspects of this General Release with her attorney, (b) that Executive has carefully read and fully understands all of the provisions of this General Release, and (c) that Executive is voluntarily executing this General Release.

11. This General Release shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to the conflicts of laws principles thereof or to those of any other jurisdiction which, in either case, could cause the application of the laws of any jurisdiction other than the State of New York. This General Release is binding on the successors and assigns of the parties hereto; fully supersedes any and all prior agreements or understandings between the parties hereto pertaining to the subject matter hereof; and may not be changed except by explicit written agreement to that effect subscribed by the parties hereto.

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PLEASE READ CAREFULLY. THIS GENERAL RELEASE INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

This General Release is executed by the Executive and Employer as of the 23rd day of July, 2020.

/s/ Christina Spade
Christina Spade

VIACOMCBS INC.

/s/ Nancy Phillips
Nancy Phillips
Executive Vice President,
Chief People Officer

Exhibit 31(a)

CERTIFICATION

I, Robert M. Bakish, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ViacomCBS Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2020

/s/ Robert M. Bakish

Robert M. Bakish
President and Chief Executive Officer

Exhibit 31(b)

CERTIFICATION

I, Christina Spade, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ViacomCBS Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2020

/s/ Christina Spade

Christina Spade
Executive Vice President, Chief Financial Officer

Exhibit 32(a)

Certification Pursuant to 18 U.S.C. Section 1350,
as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of ViacomCBS Inc. (the “Company”) on Form 10-Q for the period ended June 30, 2020 as filed with the Securities and Exchange Commission (the “Report”), I, Robert M. Bakish, President and Chief Executive Officer of the Company, certify that to my knowledge:

1. the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Robert M. Bakish
Robert M. Bakish

August 6, 2020

Exhibit 32(b)

Certification Pursuant to 18 U.S.C. Section 1350,
as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of ViacomCBS Inc. (the “Company”) on Form 10-Q for the period ended June 30, 2020 as filed with the Securities and Exchange Commission (the ”Report”), I, Christina Spade, Executive Vice President, Chief Financial Officer of the Company, certify that to my knowledge:

1. the Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Christina Spade
Christina Spade

August 6, 2020