



The Washington Post Company Reports First Quarter Earnings

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WASHINGTON -- The Washington Post Company today reported net income of \$47.7 million (\$4.35 per share) for the first quarter of 1997, an increase of 29 percent from net income of \$36.9 million (\$3.34 per share) in the first quarter last year.

Revenue for the first quarter of 1997 was \$454.1 million, up 9 percent from \$416.6 million in 1996. Operating income for the quarter increased 55 percent to \$78.0 million, from \$50.2 million in 1996. The increase resulted from strength in the company's print businesses.

Newspaper division revenue in the first quarter of 1997 increased 8 percent over the comparable period last year. Advertising volume at The Post totaled 763,200 inches, up 7 percent from 716,400 inches in the first quarter of 1996. Both daily and Sunday circulation at The Post were down 1 percent compared to the same period in 1996. Newsprint expense at The Post decreased 21 percent in the first quarter of 1997 compared to the first quarter last year.

Newsweek revenues were up 11 percent compared to the first quarter of 1996 due to increases in advertising volume for both the domestic and international editions.

Broadcast division revenues increased 3 percent in the first quarter of 1997, reflecting increased local and national advertising revenues.

Revenue at the cable division increased 12 percent in the first quarter over the same period last year. Higher subscriber levels, resulting mainly from recent acquisitions, as well as slightly higher rates accounted for the increase. At the end of the first quarter there were approximately 610,000 basic subscribers.

Revenues from other businesses -- principally Kaplan Educational Centers, PASS Sports, Legi-Slate, Digital Ink, and MLJ (Moffet, Larson & Johnson) -- increased 17 percent over the first quarter of last year. Growth at Kaplan Educational Centers produced most of the increase.

The company's equity in earnings of affiliates was \$0.1 million in the first quarter. This compares with earnings of \$7.4 million in the first quarter of 1996. The decrease was due to declining results at the company's affiliated newsprint mills.

The calculation of earnings per share for the first quarter of 1997 was based on 10,866,000 weighted average shares outstanding, compared to 11,011,000 in 1996. In the first quarter of 1997, the company repurchased 122,000 shares of its Class B common stock at a cost of \$41.0 million.

Donald E. Graham, chairman and chief executive officer, said: "Operating income at The Washington Post newspaper benefited from an improving local economy, strong recruitment advertising, and lower newsprint prices. Newsweek and Post-Newsweek Stations also did better than anticipated. While these results have improved our outlook for the full year, second-half comparisons still will be adversely affected by the factors we previously called attention to: the absence in 1997 of Olympics and political advertising obtained by Post-Newsweek Stations in 1996 coupled with increased spending for expansion at Kaplan Educational Centers and investments in cable and new media."

THE WASHINGTON POST COMPANY CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

(In thousands, except per share amounts)

	First Quarter		
	1997	1996	% Change
Operating revenues	\$ 454,101	\$ 416,619	+9
Costs and expenses	(376,133)	(366,419)	+3
Income from operations	77,968	50,200	+55
Interest income	1,112	1,224	
Interest expense	(165)	(1,083)	
Equity in earnings of affiliates	125	7,353	
Other income (expense), net	(846)	2,867	
Income before income taxes	78,194	60,561	+29
Provision for income taxes	(30,500)	(23,619)	

Net income	47,694	36,942	+29
Redeemable preferred stock dividends	(478)	(202)	
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Net income available for common stock	\$ 47,216	\$ 36,740	+29
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Earnings per share	\$ 4.35	\$ 3.34	+30
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Average shares outstanding	10,866	11,011	

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