



The Washington Post Company Reports 1996 Earnings

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WASHINGTON -- The Washington Post Company today reported net income for 1996 of \$220.8 million (\$20.05 per share), compared with net income of \$190.1 million (\$17.15 per share) in 1995.

The company's 1995 net income included \$8.4 million (\$0.75 per share) from the sale of the company's investment in American PCS, L.P., as well as an after-tax charge of \$5.6 million (\$0.51 per share) relating to the write-off of the company's investment in Mammoth Micro Productions. Excluding these one-time items, net income rose 18 percent in 1996, and earnings per share increased 19 percent.

Revenue for 1996 totaled \$1.853 billion, an increase of 8 percent from \$1.719 billion in 1995. Operating income for 1996 rose 24 percent to \$337.2 million, from \$271.0 million in 1995.

For the fourth quarter of 1996, the company's net income rose 23 percent to \$65.3 million, from \$52.9 million in 1995. Earnings per share increased 24 percent to \$5.96 in 1996 versus \$4.80 in 1995.

Revenue for the fourth quarter totaled \$503.6 million, an increase of 9 percent over \$463.0 million in the comparable period last year. Fourth-quarter operating income in 1996 increased 33 percent to \$104.3 million, from \$78.2 million in 1995.

Broadcast division operating income in 1996 was \$155.0 million, up 17 percent from \$132.4 million in 1995. Division revenue for the year increased 9 percent to \$335.2 million, from \$306.1 million in 1995, due primarily to political and Olympics-related advertising. In the fourth quarter of 1996, broadcast division revenue rose 13 percent over the same period in 1995, also reflecting the strong political advertising.

Newspaper division operating income in 1996 increased 6 percent to \$116.8 million, from \$109.7 million in 1995. In 1996 division revenue totaled \$763.9 million, an increase of 5 percent over revenue of \$729.2 million in 1995.

Total advertising volume at The Washington Post fell 4 percent to 3,070,200 inches, from 3,212,100 inches in 1995. Post advertising revenue increased 3 percent to \$558.9 million, from \$541.4 million in 1995. Both daily and Sunday circulation at The Post declined 1 percent during 1996.

For the fourth quarter of 1996, newspaper division revenue rose 8 percent from the comparable period in 1995. Washington Post advertising inches were essentially unchanged from fourth-quarter 1995 at 833,000 inches.

Cable division operating income of \$56.0 in 1996 was 37 percent higher than operating income of \$41.0 million in 1995. Cash flow for the cable division in 1996 was \$100.9 million, up 18 percent from \$85.2 million the previous year. Revenue for 1996 of \$229.7 million represents an 18 percent increase over 1995. About half of the increases in cash flow and revenue reflect the acquisition of additional cable systems in 1996. At the end of 1996, there were 594,000 basic subscribers, an increase of 15 percent over 1995.

Newsweek's operating income in 1996 rose 52 percent to \$22.8 million, from \$15.0 million in 1995. Revenue totaled \$377.1 million in 1996, an increase of 7 percent over \$352.6 million in 1995. The increase is due to higher sales of domestic ad pages.

Other businesses, including Kaplan Educational Centers, PASS Sports, Legi-Slate, MLJ (Moffet, Larson & Johnson, Inc.), and Digital Ink, recorded an operating loss in 1996 of \$13.5 million, compared with a loss of \$27.1 million in 1995. The 1995 amount included the write-off of Mammoth Micro Productions mentioned above. Revenue from other businesses increased 7 percent in 1996 to \$147.6 million. For the 1996 fourth quarter, revenue from other businesses increased 7 percent over the comparable period of 1995.

The company's equity in earnings of affiliates for 1996 declined to \$19.7 million, from \$24.5 million in 1995. For the 1996 fourth quarter, equity in earnings of affiliates was \$2.0 million versus \$8.6 million in the comparable period of 1995, reflecting the effect of lower newsprint prices at the company's affiliated newsprint mills.

During 1996 the company repurchased 103,642 shares of its Class B common stock at a cost of \$32.3 million.

THE WASHINGTON POST COMPANY CONSOLIDATED STATEMENTS OF INCOME (In thousands, except per share amounts)

	Fourth Quarter			Fiscal Year		
	1996	1995	% Change	1996	1995	% Change
Operating revenues	\$503,648	\$462,986	+9	\$1,853,445	\$1,719,449	+8
Costs and expenses	(399,383)	(384,744)	+4	(1,516,276)	(1,448,431)	+5

Income from operations	104,265	78,242	+33	337,169	271,018	+24
Interest income	1,602	1,748		5,359	7,974	
Interest expense	(124)	(1,413)		(1,514)	(5,600)	
Equity in earnings of affiliates	2,005	8,614		19,702	24,512	
Other income (expense), net	(2,625)	(751)		(499)	13,492	
	<u>105,123</u>	<u>86,440</u>	+22	<u>360,217</u>	<u>311,396</u>	+16
Provision for income taxes	(39,857)	(33,550)		(139,400)	(121,300)	
Net income	65,266	52,890	+23	220,817	190,096	+16
Redeemable preferred stock dividends	--	--		(680)	--	
Net income available for common stock	<u>\$65,266</u>	<u>\$ 52,890</u>	+23	<u>\$220,137</u>	<u>\$190,096</u>	+16
Earnings per share	<u>\$5.96</u>	<u>\$4.80</u>	+24	<u>\$20.05</u>	<u>\$17.15</u>	+17
Average shares outstanding	10,953	11,020	-1	10,980	11,086	-1

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