

## The Washington Post Company Reports Third Quarter Earnings

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WASHINGTON -- The Washington Post Company today reported net income of \$55.4 million (\$5.00 per share) for the third quarter of 1996, an increase of 32.5 percent from net income of \$41.8 million (\$3.79 per share) in the third quarter of 1995.

Third-quarter results in 1995 included a one-time after-tax charge of \$5.6 million (\$0.51 per share) relating to a write-off of the company's investment in Mammoth Micro Productions. Excluding this one-time item, net income rose 16.9 percent in the third quarter of 1996, and earnings per share increased 16.3 percent.

Revenue for the third quarter of 1996 was \$460.3 million, up 10.1 percent from revenue of \$417.9 million in the third quarter of 1995. Operating income in the third quarter increased 56.6 percent to \$87.2 million, from \$55.7 million in the same period last year. Excluding the one-time charge described above, operating income rose approximately 27.1 percent in the quarter with all divisions contributing to the increase.

For the first nine months of 1996, the company's net income was \$155.6 million (\$14.09 per share), compared with net income of \$137.2 million (\$12.35 per share) in the same period of 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 the after-tax charge of \$5.6 million (\$0.51 per share) mentioned previously. Excluding the effect of these one-time items, 1996 net income increased \$21.2 million, or 15.8 percent, and earnings per share increased 16.3 percent in the nine-month period.

Revenue for the first nine months of 1996 rose 7.4 percent to \$1,349.8 million, compared with \$1,256.5 million in the first three quarters of 1995. Operating income was \$232.9 million in the first three quarters of 1996, compared with operating income of \$192.8 million in the same period of 1995.

Newspaper division revenue rose 6.9 percent in the third quarter and 3.6 percent in the first nine months of 1996. Advertising volume at The Washington Post decreased 2.5 percent to 742,200 inches in the third quarter of 1996, from 761,200 inches in the third quarter of 1995. Post advertising inches decreased 6.0 percent in the first nine months of 1996 to 2,237,300 inches, from 2,380,600 inches for the comparable period of 1995. For the first nine months of 1996, both daily and Sunday circulation at The Post were down 1.0 percent versus the same period last year.

Revenue at the broadcast division rose 14.2 percent in the third quarter. Olympics related advertising accounted for about two-thirds of the increase. In the first nine months of 1996, broadcast revenue rose 8.2 percent, with increases at all stations.

Cable division revenue increased 18.6 percent in the third quarter and 17.5 percent in the first nine months of 1996. About one-half of the increases resulted from the acquisition of additional cable systems in 1996. At the end of the third quarter there were approximately 587,000 basic subscribers.

Newsweek revenue increased 12.0 percent in the third quarter of 1996 and 9.4 percent in the first three quarters of the year due to increased advertising volume.

Revenue from other businesses, principally Kaplan Educational Centers, Legi-Slate, and MLJ (Moffet, Larsen & Johnson, Inc.), rose 3.6 percent in the third quarter and 7.5 percent in the first nine months of 1996.

The company's equity in earnings of affiliates in the third quarter of 1996 was \$2.5 million (\$17.7 million in the nine-month period), compared with income of \$6.3 million in the third quarter (income of \$15.9 million in the nine-month period) last year. In the third quarter of 1996, declining newsprint prices had a negative impact on the results of the company's affiliated newsprint mills.

During the first nine months of 1996, the company repurchased 57,215 shares of its Class B common stock at a cost of approximately \$16.7 million.

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

	Third Quarter		Thirty-nine Weeks	
	1996	1995	1996	1995
Operating revenues	\$460,326	\$417,919	\$1,349,797	\$1,256,464
Costs and expenses	(373,106)	(362,212)	(1,116,893)	(1,063,688)
Income from operations	87,220	55,707	232,904	192,776
Interest income	1,358	1,860	3,757	6,226
Interest expense	(168)	(1,388)	(1,390)	(4,187)
Equity in income of affiliates, net	2,537	6,268	17,697	15,898

Other income (expense), net	<u>(53)</u>	<u>716</u>	<u>2,126</u>	<u>14,242</u>
Income before income taxes	90,894	63,163	255,094	224,955
Provision for income taxes	<u>(35,503)</u>	<u>(21,370)</u>	<u>(99,543)</u>	<u>(87,750)</u>
Net income	55,391	41,793	155,551	137,205
Redeemable preferred stock dividends	<u>(478)</u>	<u>--</u>	<u>(680)</u>	<u>--</u>
Net income available for common stock	<u>\$54,913</u>	<u>\$41,793</u>	<u>\$154,871</u>	<u>\$137,205</u>
Earnings per common share	<u>\$5.00</u>	<u>\$3.79</u>	<u>\$14.09</u>	<u>\$12.35</u>
Average shares outstanding	10,975	11,019	10,990	11,108

Contact:

Guyon Knight  
(202) 334-6642