



## The Washington Post Company Reports Second Quarter Earnings

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WASHINGTON -- The Washington Post Company today reported net income of \$63.2 million (\$5.76 per share) for the second quarter of 1996. This represents an increase of 23 percent over net income of \$51.5 million (\$4.65 per share) in the second quarter last year.

Revenue for the second quarter of 1996 was \$472.9 million, up 8 percent over revenue of \$437.0 million in the second quarter of 1995. Operating income for the quarter rose 21 percent to \$95.5 million, from \$78.7 million in 1995. Strong performances at the magazine, broadcast, and cable divisions contributed to the improvement.

For the first six months of 1996, the company's net income was \$100.2 million (\$9.09 per share), compared with net income of \$95.4 million (\$8.56 per share) in the first half of 1995. The company's 1995 net income included \$8.4 million (\$0.75 per share) from the sale of substantially all of the company's investment in American PCS, L.P. Excluding the effect of the 1995 sale, net income increased \$13.2 million, or 15 percent, in the first six months of 1996.

Revenue for the first half of 1996 was \$889.5 million, up 6 percent over revenue of \$838.5 million in the first six months of 1995. Operating income for the same period was \$145.7 million, up 6 percent over operating income of \$137.1 million in 1995.

Revenue at the broadcast division increased 5 percent in the second quarter of 1996. In the first six months of 1996, revenue also rose 5 percent, with all stations reporting higher revenue.

Newspaper division revenue increased 4 percent in the second quarter of 1996, and 2 percent in the first half, compared with the same periods last year. Advertising volume at The Washington Post totaled 778,700 inches in the second quarter of 1996, down 5 percent from 822,500 inches in the second quarter of 1995. In the first six months of 1996, Post advertising volume declined 8 percent to 1,495,100 inches, from 1,619,400 inches in the first half of 1995. For the first six months of 1996, both daily and Sunday circulation at The Post declined 1 percent, compared to the same period last year. Newsprint expense at The Post increased 16 percent in the second quarter and 22 percent in the first six months of 1996 over the comparable periods in 1995.

Revenue at the cable division increased 17 percent in both the second quarter and first six months over the same periods last year. Higher subscriber levels, resulting mainly from recent acquisitions, as well as higher rates accounted for the increase. At the end of the second quarter there were approximately 560,000 basic subscribers.

Newsweek revenue increased 16 percent in the second quarter and 8 percent in the first half of the year. Increased advertising page volume, combined with higher net advertising revenue per page, accounted for most of the increase.

Revenues from other businesses -- principally Kaplan Educational Centers, PASS Sports, Legi-Slate, Digital Ink, and MLJ (Moffet, Larson & Johnson) -- increased 7 percent and 10 percent, respectively, over the second quarter and first six months of last year.

The company's equity in earnings of affiliates in the second quarter was \$7.8 million, compared with \$8.9 million in the second quarter of 1995. For the first half of the year, the company recorded equity in earnings of affiliates of \$15.2 million, compared with \$9.6 million in the comparable period of 1995. The improvement for the six-month period was due to better results at the company's affiliated newsprint mills, which benefited from higher newsprint prices during the first quarter.

The calculation of earnings per share for the second quarter and first half of 1996 was based on 10,970,000 and 10,998,000 weighted average shares outstanding, respectively, compared to 11,084,000 and 11,152,000 shares in 1995. During the first half of 1996 the company repurchased 45,315 shares of its Class B common stock at a cost of approximately \$13 million.

### THE WASHINGTON POST COMPANY CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

	Second Quarter			Twenty-six Weeks		
	1996	1995	% Change	1996	1995	% Change
Operating revenues	\$472,852	\$436,994	+8.2	\$889,471	\$838,545	+6.1
Costs and expenses	(377,367)	(358,258)	+5.3	(743,786)	(701,476)	+6.0
Income from operations	95,485	78,736	+21.3	145,685	137,069	+6.3
Interest income	1,175	2,032		2,399	4,366	

Interest expense	(139)	(1,368)		(1,222)	(2,799)	
Equity in earnings of affiliates	7,807	8,858		15,160	9,630	
Other income (expense), net	(689)	(869)		<u>2,178</u>	<u>13,526</u>	
Income before income taxes	103,639	87,389	+18.6	164,200	161,792	+1.5
Provision for income taxes	<u>(40,421)</u>	<u>(35,875)</u>		<u>(64,040)</u>	<u>(66,380)</u>	
Net income	63,218	51,514	+22.7	100,160	95,412	+5.0
Redeemable preferred stock dividends	<u>--</u>	<u>--</u>		<u>(202)</u>	<u>--</u>	
Net income available for common stock	<u>\$63,218</u>	<u>\$51,514</u>	+22.7	<u>\$99,958</u>	<u>\$95,412</u>	+4.8
Earnings per share	<u>\$5.76</u>	<u>\$4.65</u>	+23.9	<u>\$9.09</u>	<u>\$8.56</u>	+6.2
Average shares outstanding	10,970	11,084	-1.0	10,998	11,152	-1.4

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