



The Washington Post Company Reports First Quarter Earnings

April 23, 1996

WASHINGTON -- The Washington Post Company today reported net income of \$36.9 million (\$3.34 per share) for the first quarter of 1996, compared with net income of \$43.9 million (\$3.91 per share) in the first quarter last year.

The company's 1995 first-quarter net income included \$8.4 million (\$0.75 per share) from the sale, at its original cost, of substantially all of the company's investment in American PCS, L.P. Excluding the effect of the sale, net income increased \$1.4 million, or 4 percent, in the first quarter this year; earnings per share increased 6 percent with fewer weighted average shares outstanding.

Revenue for the first quarter of 1996 was \$416.6 million, up 4 percent from \$401.6 million in 1995. Operating income for the quarter declined 14 percent to \$50.2 million, from \$58.3 million in 1995. The decline resulted from weakness in the company's print businesses, primarily due to increased newsprint expense, offset by strong performances in the broadcast and cable divisions.

Broadcast division revenues increased 6 percent in the first quarter of 1996, reflecting increased local and national advertising revenues.

Newspaper division revenue in the first quarter of 1996 was essentially even with the comparable period last year. Advertising volume at The Post totaled 716,400 inches, down 10 percent from 796,900 inches in the first quarter of 1995. Both daily and Sunday circulation at The Post were down 2 percent compared to the same period in 1995. Newsprint expense at The Post increased 29 percent in the first quarter.

Revenue at the cable division increased 17 percent in the first quarter over the same period last year. Higher subscriber levels, resulting mainly from recent acquisitions, as well as higher rates accounted for the increase.

Newsweek revenues were down 2 percent compared to the first quarter of 1995 due to decreased advertising volume.

Revenues from other businesses -- principally Kaplan Educational Centers, PASS Sports, Legi-Slate, Digital Ink, and MLJ (Moffet, Larson & Johnson) -- increased 13 percent over the first quarter of last year.

The company's equity in earnings of affiliates was \$7.4 million in the first quarter. This compares with earnings of \$0.8 million in the first quarter of 1995. The improvement was primarily due to better results at the company's affiliated newsprint mills, which are benefiting from higher newsprint prices.

The calculation of earnings per share for the first quarter of 1996 was based on 11,011,000 weighted average shares outstanding, compared to 11,220,000 in 1995. In the first quarter of 1996, the company repurchased 20,335 shares of its Class B common stock at a cost of \$5.7 million.

THE WASHINGTON POST COMPANY CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

	First Quarter	
	1996	1995
Operating revenues	\$416,619	\$401,551
Costs and expenses	(366,419)	(343,218)
Income from operations	50,200	58,333
Interest income	1,224	2,334
Interest expense	(1,083)	(1,431)
Equity in earnings of affiliates	7,353	772
Other income (expense), net	2,867	14,395
Income before income taxes	60,561	74,403
Provision for income taxes	(23,619)	(30,505)
Net income	36,942	43,898
Redeemable preferred stock dividends	(202)	--
Net income available for common stock	\$36,740	\$43,898
Earnings per share	\$3.34	\$3.91
Average shares outstanding	11,011	11,220

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