



## The Washington Post Company Reports 1995 Earnings

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WASHINGTON -- The Washington Post Company today reported net income for 1995 of \$190.1 million (\$17.15 per share), compared with net income of \$169.7 million (\$14.65 per share) in 1994.

The company's 1995 net income includes \$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. The company's 1994 earnings included an after-tax gain of \$8.1 million (\$.70 per share) from the sale of land at one of the company's newsprint affiliates. Excluding these items, net income rose 16 percent in 1995, and earnings per share increased 21 percent with fewer average shares outstanding.

Revenue for 1995 totaled \$1.719 billion, an increase of 7 percent from \$1.614 billion in 1994. Operating income for 1995 declined 1 percent to \$271.0 million, from \$274.9 million in 1994. The stronger performance at the broadcast division and certain other business units was offset by lower operating income at the newspaper division and the write-off of Mammoth Micro Productions mentioned above.

For the fourth quarter of 1995, the company's net income rose 1 percent to \$52.9 million, from \$52.2 million in 1994. Earnings per share increased 5 percent to \$4.80 in 1995 versus \$4.56 in 1994 with fewer average shares outstanding.

Revenue for the fourth quarter of 1995 totaled \$463.0 million, an increase of 3 percent over \$450.9 million in the comparable period of 1994. Fourth-quarter operating income in 1995 declined 11 percent to \$78.2 million, from \$87.9 million in 1994, primarily resulting from decreased profits at the newspaper division.

Broadcast division operating income in 1995 was \$132.4 million, up 23 percent from \$107.7 million in 1994. Division revenue for the year increased 18 percent to \$306.1 million, from \$260.3 million in 1994. Broadcast includes the results of two television stations acquired in April 1994. In the fourth quarter of 1995, broadcast division revenue was even with the comparable period of 1994.

Newspaper division operating income in 1995 declined 18 percent to \$109.7 million, from \$134.4 million in 1994. The decrease is attributable to higher newsprint expense, which increased 29 percent in 1995 compared to 1994. In 1995 division revenue totaled \$729.2 million, an increase of 2 percent over revenue of \$717.3 million in 1994.

Total advertising volume at The Washington Post fell 5 percent to 3,212,100 inches, from 3,390,600 inches in 1994, reflecting the weak economy in the Washington, D.C., area. Post advertising revenue increased 1 percent to \$541.4 million, from \$536.3 million in 1994. Daily and Sunday circulation at The Post decreased 2 percent and 1 percent, respectively.

For the fourth quarter of 1995, newspaper division revenue fell 1 percent from the comparable period in 1994. Washington Post advertising inches declined 8 percent to 831,500 inches, from 899,300 inches in the 1994 fourth quarter.

Cable division operating income of \$41.0 million in 1995 was essentially even with operating income of \$41.5 million in 1994. Domestic cable cash flow in 1995 was \$85.2 million, up 2 percent from \$83.6 million the previous year. Revenue for 1995 of \$194.1 million represents a 7 percent increase over 1994. At the end of 1995, there were 517,000 basic subscribers, an increase of 4 percent over 1994. In the fourth quarter of 1995, cable division revenue increased 9 percent over the comparable 1994 period.

Newsweek's operating income in 1995 rose 6 percent to \$15.0 million, from \$14.2 million in 1994. Revenue totaled \$352.6 million in 1995, an increase of 4 percent over 1994. In the fourth quarter of 1995, Newsweek's revenue was up 3 percent over the same period the prior year.

Other businesses, including Kaplan Educational Centers, PASS Sports, Legi-Slate, MLJ (Moffet, Larson & Johnson, Inc.), and Digital Ink, recorded an operating loss in 1995 of \$27.1 million, compared with a loss of \$22.8 million in 1994. The increased loss is due to the write-off of Mammoth Micro Productions, mentioned above, which offset improved performances at Kaplan Educational Centers and MLJ.

Revenue from other businesses increased 18 percent in 1995 to \$137.4 million, also due principally to revenue gains at Kaplan Educational Centers and MLJ. For the 1995 fourth quarter, revenue from other businesses increased 34 percent over the comparable period of 1994.

The company's equity in earnings of affiliates for 1995 was \$24.5 million, compared with \$7.3 million in 1994, reflecting better results at the company's affiliated newsprint mills. The 1994 results included the \$8.1 million after-tax gain on the sale of land referred to above. For the 1995 fourth quarter, equity in earnings of affiliates increased to \$8.6 million versus a loss of \$0.6 million in the comparable period of 1994.

During 1995 the company repurchased 361,106 shares of its Class B common stock at a cost of \$89.6 million.

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

Fourth Quarter

Fiscal Year

	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
Operating revenues	\$ 462,986	\$ 450,884	\$ 1,719,449	\$ 1,613,978
Costs and expenses	<u>(384,744)</u>	<u>(363,027)</u>	<u>(1,448,431)</u>	<u>(1,339,103)</u>
Income from operations	78,242	87,857	271,018	274,875
Interest income	1,748	2,174	7,974	9,196
Interest expense	(1,413)	(1,410)	(5,600)	(5,590)
Equity in earnings (losses) of affiliates	8,614	(592)	24,512	7,325
Other income (expense), net	<u>(751)</u>	<u>(1,998)</u>	<u>13,492</u>	<u>1,116</u>
Income before income taxes	86,440	86,031	311,396	286,922
Provision for income taxes	<u>(33,550)</u>	<u>(33,880)</u>	<u>(121,300)</u>	<u>(117,250)</u>
Net income	<u>\$ 52,890</u>	<u>\$ 52,151</u>	<u>\$ 190,096</u>	<u>\$ 169,672</u>
Earnings per share	<u>\$ 4.80</u>	<u>\$ 4.56</u>	<u>\$17.15</u>	<u>\$14.65</u>
Average shares outstanding	11,020	11,447	11,086	11,582

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