



The Washington Post Company Reports 2000 and Fourth Quarter Earnings

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WASHINGTON--Jan. 26, 2001--The Washington Post Company (NYSE:WPO) today reported net income of \$136.5 million for its fiscal year ended December 31, 2000, compared with \$225.8 million for the fiscal year ended January 2, 2000. Diluted earnings per share totaled \$14.32 in 2000, compared to \$22.30 in 1999. Revenue for 2000 was \$2,412.2 million, up 9 percent from \$2,215.6 million in 1999. Operating income decreased 13 percent to \$339.9 million, from \$388.5 million in 1999.

The decline in 2000 earnings was primarily caused by increased costs associated with the development of new businesses (impact of \$28.9 million or \$3.47 per share), a one-time charge arising from an early retirement program at The Washington Post (impact of \$16.5 million or \$1.74 per share), higher interest expense (impact of \$16.6 million or \$1.85 per share), and a reduced pension credit (impact of \$11.7 million or \$0.92 per share). In addition, 1999 earnings included gains from the sale of marketable equity securities which did not recur in 2000 (impact of \$18.6 million or \$1.81 per share). These factors were offset in part by improved operating results at The Washington Post and the company's television broadcasting division.

Net income for the fourth quarter of 2000, which included a \$16.5 million (\$1.74 per share) charge for the early retirement program at The Post, totaled \$37.7 million (\$3.98 per share), compared with net income of \$61.0 million (\$6.09 per share) for the same period in 1999. Revenue for the fourth quarter of 2000 was \$671.4 million, up 12 percent over revenue of \$598.4 million for the same period of 1999. Operating income declined 24 percent to \$90.0 million, from \$118.1 million in 1999. Consistent with the company's 2000 annual results, the decrease in the company's fourth quarter earnings is primarily attributable to the non-recurring charge arising from the early retirement program completed at The Washington Post, an increase in new business development costs, higher interest expense, and a reduced pension credit, offset in part by higher operating results at The Washington Post and the television broadcasting division.

The company's 2000 and 1999 operating income includes \$62.7 million and \$81.7 million of pension credits, respectively; \$16.6 million and \$17.7 million for the fourth quarter of 2000 and 1999.

"As anticipated, The Washington Post Company invested heavily in new business development in 2000, expending about \$125 million in key areas we believe will provide strong growth. The anticipated level of such expenditures for 2001 is expected to be about \$85 million," said Donald E. Graham, chairman and CEO. "This is consistent with our focus on building the intrinsic value of the company over time."

The increased spending for new business initiatives during 2000 occurred mainly at Kaplan, Inc., and Washingtonpost.Newsweek Interactive (WPNI). Kaplan opened 42 new Score! Educational Centers and dramatically expanded its distance learning capabilities. WPNI increased marketing and sales initiatives for washingtonpost.com, whose average monthly page views rose 33 percent during the year.

The company also absorbed greater losses from the development of web-delivered recruiting and hiring management services at BrassRing, in which Kaplan has a 42 percent interest.

"Operating results continued strong, particularly at Post-Newsweek Stations, Kaplan's test-prep business, and The Post," Graham said.

Divisional Results

----- Newspaper Publishing

Newspaper publishing division revenues in 2000 increased 5 percent to \$918.2 million, from \$875.1 million in 1999; revenues increased 2 percent to \$237.8 million for the fourth quarter of 2000. Division operating income for 2000 totaled \$114.4 million, a decrease of 27 percent from operating income of \$156.7 million in 1999; operating income decreased 86 percent in the fourth quarter of 2000.

The 2000 decline in operating income resulted mostly from the \$27.5 million, pre-tax, one-time charge recognized in the fourth quarter of 2000 in connection with the early retirement program completed at The Washington Post, increased spending for the marketing and advancement of washingtonpost.com, a lower pension credit, and higher newsprint expense. These factors were offset in part by higher print and online advertising revenues.

Print advertising revenues at The Washington Post newspaper grew 4 percent in 2000. Daily circulation at The Post remained essentially unchanged, while Sunday circulation declined 1 percent. Newsprint expense at the newspaper publishing division increased 8 percent for 2000, due mostly to price increases.

Online advertising revenues for 2000 totaled \$27.1 million, a 108 percent increase above 1999 online advertising revenues.

Television Broadcasting

Broadcasting division revenues totaled \$364.8 million for 2000, a 7 percent increase from 1999; revenues increased 15 percent in the fourth quarter of 2000 to \$107.7 million. Operating income for 2000 rose 6 percent to \$177.4 million; fourth quarter operating income totaled \$60.3 million, a 14 percent increase over the same period of 1999. Political and Olympics advertising in the third and fourth quarters of 2000 totaled approximately \$42 million, accounting for most of the improvement in the 2000 operating results.

Magazine Publishing

Revenue for the magazine publishing division totaled \$416.4 million for 2000, a 4 percent increase over 1999; revenue increased 2 percent to \$120.2 million for the fourth quarter of 2000. Operating income totaled \$49.1 million for 2000, a decrease of 21 percent from 1999; division operating income rose 4 percent to \$21.1 million in the fourth quarter of 2000. The decline in 2000 operating income occurred primarily at Newsweek, where reduced pension credits and higher subscription acquisition costs at the domestic edition outpaced revenue and operating income improvements at the international edition.

Cable Television

Cable division revenue of \$358.9 million for 2000 represents a 7 percent increase over 1999; revenue totaled \$92.1 million for the fourth quarter of 2000, a 5 percent increase over the same period of 1999. Cable division cash flow (operating income excluding depreciation and amortization expense) was \$143.7 million for 2000, an increase of 2 percent from 1999. Cable cash flow for the fourth quarter of 2000 totaled \$39.3 million, an increase of 5 percent over the fourth quarter of 1999. Cable division operating income decreased 2 percent for 2000 and increased 1 percent in the fourth quarter. The decline in 2000 operating income is mostly due to an increase in programming expense, additional costs associated with the launch of new services, and higher depreciation expense. These factors were offset in part by higher subscriber revenues.

The increase in depreciation expense is due to recent capital spending for system rebuilds and upgrades, which will enable the cable division to offer new digital and high-speed cable modem services to its subscribers. The cable division began its roll-out plan for these services in the second and third quarters of this year.

At the end of 2000, there were 735,400 basic subscribers, a 1 percent decline from 739,700 basic subscribers at the end of 1999.

Education

Excluding the operating results of the career fair and HireSystems businesses from 1999 (these businesses were contributed to BrassRing at the end of the third quarter of 1999), education division revenue increased 47 percent to \$353.8 million for 2000, compared to \$240.0 million for 1999; revenue increased 74 percent to \$113.6 million for the fourth quarter of 2000. Operating losses for 2000 totaled \$41.8 million, compared to operating losses of \$16.0 million for 1999. For the fourth quarter of 2000, operating losses totaled \$9.2 million, compared to \$10.0 million for the fourth quarter of 1999. Approximately 70 percent of the 2000 and fourth quarter 2000 revenue increase is attributable to acquisitions. The remaining increase in revenue is attributable to growth at Score! and the test preparation business. The decline in 2000 operating results is primarily attributable to marketing and expansion activities at Score!, start-up costs associated with eSCORE.com, and the development of various distance learning initiatives (primarily kaplancollege.com and kaptest.com). These factors were offset in part by operating income generated by acquisitions and the test preparation business.

At the end of 2000, Score! operated 142 learning centers, compared to 100 centers at the end of 1999.

Including the operating results of the career fair and HireSystems businesses in 1999, revenues increased 37 percent to \$353.8 million for 2000, compared to \$257.5 million for 1999. Operating losses increased 10 percent in 2000 to \$41.8 million, from \$38.0 million in 1999.

Other Businesses and Corporate Office

Operating losses for 2000 totaled \$25.2 million, representing a 7 percent improvement over 1999. Fourth quarter 2000 operating losses totaled \$7.6 million, compared to \$6.4 million for the same period in 1999. The reduction in 2000 losses is primarily attributable to the absence of losses generated by Legi-Slate (sold in June 1999) and reduced spending at the company's corporate office.

Equity in Losses of Affiliates, net

The company's equity in losses of affiliates for 2000 was \$36.5 million, compared to losses of \$8.8 million for 1999. The company's affiliate investments consist of a 42 percent interest in BrassRing, Inc. (formed in late September 1999), a 50 percent interest in the International Herald Tribune, and a 49 percent interest in Bowater Mersey Paper Company Limited. For the fourth quarter of 2000, the company's equity in losses of affiliates totaled \$6.8 million, compared to \$7.0 million for the same period of 1999. The decline in 2000 affiliate results is attributable to BrassRing, Inc., which is in the integration and marketing phase of its operations. BrassRing accounted for approximately \$37.0 million and \$8.9 million of the company's 2000 annual and fourth quarter equity in affiliate losses, respectively.

Other Non-Operating (Expense) Income

The company recorded other non-operating expense of \$19.8 million in 2000, compared to \$21.4 million in non-operating income for 1999. For the fourth quarter of 2000, the company recorded non-operating expense of \$14.6 million, compared to \$2.5 million in non-operating expense for the fourth quarter of 1999. The 1999 non-operating income was comprised mostly of non-recurring gains arising from the sale of marketable securities (mostly various Internet-related securities). The 2000 non-operating expense resulted mostly from the write-downs of certain of the company's e-commerce focused cost method investments.

Net Interest Expense

The company incurred net interest expense of \$53.8 million in 2000, compared to \$25.7 million in 1999; net interest expense totaled \$14.7 million for the fourth quarter of 2000, compared to \$7.6 million for the same period of 1999. At January 2, 2000, the company had \$924.7 million in borrowings outstanding at an average interest rate of 6.1 percent.

Earnings Per Share

 The calculation of diluted earnings per share for 2000 and the fourth quarter of 2000 were based on 9,460,000 and 9,470,000 weighted average shares outstanding, respectively, compared to 10,082,000 and 10,008,000 shares in 1999.

Forward-looking Statements

This report contains certain forward-looking statements that are based largely on the company's current expectations. Forward-looking statements are subject to certain risks and uncertainties that could cause actual results and achievements to differ materially from those expressed in the forward-looking statements. For more information about these forward-looking statements and related risks, please refer to the section titled "Forward-looking Statements" in Part I of the company's Annual Report on Form 10-K.

THE WASHINGTON POST COMPANY
 CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except share and per share amounts)

	Fourth Quarter (unaudited)			Fiscal Year		
	2000(1)	1999	% Change	2000 (unaudited)	1999	% Change
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Operating revenues	\$ 671,386	\$ 598,400	+12	\$2,412,150	\$2,215,571	+9
Operating costs and expenses						
Operating expenses	(533,323)	(438,009)	+22	(1,891,686)	(1,664,320)	+14
Depreciation	(30,905)	(27,547)	+12	(117,948)	(104,235)	+13
Amortization	(17,204)	(14,706)	+17	(62,634)	(58,563)	+7
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Operating income	89,954	118,138	-24	339,882	388,453	-13
Equity in losses of affiliates, net	(6,800)	(6,975)		(36,466)	(8,814)	
Interest income	241	452		967	1,097	
Interest expense	(14,974)	(8,059)		(54,731)	(26,786)	
Other income (expense), net	(14,613)	(2,458)		(19,782)	21,435	
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Income before income taxes	53,808	101,098	-47	229,870	375,385	-39
Provision for income taxes	(16,100)	(40,100)	-60	(93,400)	(149,600)	-38
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Net						

income	37,708	60,998	-38	136,470	225,785	-40
Redeemable preferred stock dividends	-	-		(1,026)	(950)	
Net income available for common stock	\$ 37,708	\$ 60,998	-38	\$ 135,444	\$ 224,835	-40
Basic earnings per share	\$ 3.99	\$ 6.11	-35	\$ 14.34	\$ 22.35	-36
Diluted earnings per share	\$ 3.98	\$ 6.09	-35	\$ 14.32	\$ 22.30	-36
Basic average shares outstanding	9,452	9,988	-5	9,445	10,061	-6
Diluted average shares outstanding	9,470	10,008	-5	9,460	10,082	-6

(1) For 2000 and the fourth quarter of 2000, the company's net income includes a one-time, after tax charge of \$16.5 million (\$1.74 per share-diluted basis) arising from an early retirement program completed at The Washington Post newspaper.

THE WASHINGTON POST COMPANY
QUARTERLY PER SHARE AMOUNTS (UNAUDITED)
(in thousands, except per share amounts)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter(1)
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2000				
Net income available for common stockholders	\$23,569	\$40,915	\$33,253	\$37,708
Basic earnings per share	\$ 2.50	\$ 4.33	\$ 3.52	\$ 3.99
Diluted				

earnings per share	\$ 2.49 =====	\$ 4.33 =====	\$ 3.51 =====	\$ 3.98 =====
Basic average shares outstanding	9,440	9,443	9,448	9,452
Diluted average shares outstanding	9,458	9,458	9,463	9,470
1999 ----				
Net income available for common stockholders	\$44,715 =====	\$67,672 =====	\$51,452 =====	\$60,998 =====
Basic earnings per share	\$ 4.43 =====	\$ 6.70 =====	\$ 5.12 =====	\$ 6.11 =====
Diluted earnings per share	\$ 4.41 =====	\$ 6.67 =====	\$ 5.10 =====	\$ 6.09 =====
Basic average shares outstanding	10,098	10,098	10,060	9,988
Diluted average shares outstanding	10,143	10,140	10,101	10,008

The sum of the four quarters may not necessarily be equal to the amounts reported for the full year due to rounding.

(1) The company's 2000 fourth quarter net income includes a one-time, after tax charge of \$16.5 million (\$1.74 per share-diluted basis) arising from an early retirement program completed at The Washington Post newspaper.

THE WASHINGTON POST COMPANY
BUSINESS SEGMENT INFORMATION

(In thousands)

Fourth Quarter (unaudited)			Fiscal Year		
2000(1)	1999	% Change	2000 (unaudited)	1999	% Change
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Operating Revenues:
Newspaper

publishing	\$ 237,786	\$ 233,898	+2	\$ 918,234	\$ 875,109	+5
Television						
broadcasting	107,741	93,767	+15	364,758	341,761	+7
Magazine						
publishing	120,196	117,943	+2	416,421	401,096	+4
Cable						
television	92,103	87,541	+5	358,916	336,259	+7
Education	113,560	65,251	+74	353,821	257,503	+37
Other						
businesses						
and corporate						
office	--	--	--	--	3,843	-100
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	\$ 671,386	\$ 598,400	+12	\$2,412,150	\$2,215,571	+9
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Operating Income:

Newspaper						
publishing	\$ 5,980	\$ 42,001	-86	\$ 114,435	\$ 156,731	-27
Television						
broadcasting	60,346	53,103	+14	177,396	167,639	+6
Magazine						
publishing	21,106	20,212	+4	49,119	62,057	-21
Cable						
television	19,315	19,169	+1	65,967	67,145	-2
Education	(9,196)	(9,987)	+8	(41,846)	(37,998)	-10
Other						
businesses and						
corporate						
office	(7,597)	(6,360)	-19	(25,189)	(27,121)	+7
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	\$ 89,954	\$ 118,138	-24	\$ 339,882	\$ 388,453	-13
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Depreciation:

Newspaper						
publishing	\$ 9,840	\$ 10,046	-2	\$ 38,579	\$ 35,363	+9
Television						
broadcasting	3,315	3,148	+5	12,991	11,719	+11
Magazine						
publishing	1,212	1,245	-3	5,059	4,972	+2
Cable						
television	12,145	10,768	+13	47,670	43,092	+11
Education	4,393	2,340	+88	13,649	8,850	+54
Other						
businesses and						
corporate						
office	--	--	--	--	239	-100
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	\$ 30,905	\$ 27,547	+12	\$ 117,948	\$ 104,235	+13
	=====	=====		=====	=====	

Amortization:

Newspaper						
publishing	\$ 419	\$ 388	+8	\$ 1,588	\$ 1,535	+3
Television						
broadcasting	3,534	3,559	--	14,135	14,248	--
Magazine						
publishing	1,667	1,478	+13	6,758	5,912	+14
Cable						
television	7,865	7,613	+3	30,069	30,007	--
Education	3,719	1,668	+123	10,084	6,861	+47

Other businesses and corporate office	--	--	--	--	--	--
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	\$ 17,204	\$ 14,706	+17	\$ 62,634	\$ 58,563	+7
	=====	=====		=====	=====	

(1) For 2000 and the fourth quarter of 2000, the operating income of the newspaper division includes a one-time, pre-tax charge of \$27.5 million arising from an early retirement program completed at the Washington Post newspaper.

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