



The Washington Post Company Expects 'Pretty Good' Results in 2002 Compared to a Weak 2001, Graham Tells Securities Analysts

December 5, 2001 at 4:32 PM EST

NEW YORK, Dec 5, 2001 -- Relative to the very poor year the company is having in earnings per share in 2001, both the immediate and long-term future of The Washington Post Company (NYSE:WPO) look pretty good, unless the advertising climate deteriorates still further, Donald E. Graham, chairman and CEO, told a meeting of securities analysts here today.

Graham said his optimism was occasioned by progress at the company's Cable ONE and Kaplan divisions. "Our cable division, which has been paying the price to execute its unique strategy for digital and cable modems, is beginning to reap the rewards we expected," Graham said. "Kaplan is now enjoying the growth for which its aggressive investments and acquisitions over the past few years set the table," he said.

The cable division, which has given digital access to its customers free for 12 months, will go from zero digital penetration to the industry's third-highest in just 12 months. This stunted cash flow growth in 2001, but should be highly rewarding thereafter as subscribers begin paying for the service.

Kaplan has become the second-largest division of The Washington Post Company, with revenue of about \$500 million in 2001. Its core businesses are solidly profitable, and Kaplan is positioned for good growth in 2002 and beyond.

Graham emphasized The Washington Post Company's advertising-based businesses are still very weak. Company-wide advertising revenue is down 13 percent year-to-date through October, compared to the same period last year.

The Washington Post newspaper's advertising revenue is down 13 percent year-to-date. Newsweek's domestic ad revenue, according to PIB numbers, is off 24 percent. Post-Newsweek Stations revenue is down 14 percent. However, Washingtonpost.Newsweek Interactive is on track to post double-digit revenue growth this year.

With the weak advertising picture, the company is focusing intently on expense control. Expenses at The Post newspaper are down 2 percent year-to-date through October, compared to the same period last year. Newsweek year-to-date expenses are flat, despite the large manufacturing and distribution expenses associated with extra editions published after September 11. Post-Newsweek Stations expenses are down 2 percent year-to-date.

Graham said in 2002 the company most likely will lower the assumed rate of return on its pension funds to reflect economic realities. This will reduce the company's pension credit, with a corresponding negative impact on reported income.

Graham delivered his remarks at the UBS Warburg Media Week Conference. He plans to deliver the same presentation to the Credit Suisse First Boston Media Week Conference on Thursday, Dec. 6, 2001.

This press release 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 1 of the company's Annual Report on Form 10-K and the section titled "Risk Factors" under "Shareholder Information" on the company's website, www.washpostco.com.

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