1- 4278 SIC 483 C 10 18 50 000

CAPITAL CITIES COMMUNICATIONS INC 10-K

NYS NEW YORK FN C 10 15 00 000 1973

Capital Cities Communications, Inc. [N.Y.] Co: C101850000
24 East 51st Street
New York, N.Y. 10022
SEC File No: 1-4278 Exch: NYSE/CCB
IRS No: 14-1284013 CUSIP: 1398619
Fiscal Year Ends: 12/31 SIC No: 483
10-Q For: 3/31/73 Rec: 5/17/73
Regst S-1 Filed: 6/27/73
Reg. No: 2-48440
¤ Common stock offering; Shareholder offering
¤ Common stock offering; Stock option plans
¤ Common stock offering; Preferred stock conversion
Volume of Securities Registered: 166,070 shares
Volume to be Offered: 254,862 shares
Proposed Price: $39.25/share
Principal Underwriter: None
Legal Counsel: Hall, Dickler & Howley
of the 254,862 shares offered, 40,000 relate to an amendment to 1972 Employee Stock Option Plan and 214,862 to be sold by selling shareholders, including 62,900 shares to be acquired by conversion of 31,450 shares of preferred stock.
Exhibits:
¤ Ex: Escrow agreements; *Chemical Bank; *First National City Bank; *Marine Midland Bank-New York
¤ Ex: Purchase contracts; *Carter Publications Inc.
8-K For: 5/31/73 Rec: 6/8/73
Shareholders elected directors and approved name change from Capital Cities Broadcasting Corporation, and amendment of Stock Option Plan for Key Employees.
¤ Name change; *Formerly Capital Cities Broadcasting Corporation
Exhibits: None indexed
10-Q For: 6/30/73 Rec: 8/10/73
Prspct Eff: 8/14/73 Rec: 8/16/73
Reg. No: 2-48440
Changes from Reg: Volume of securities offered is 256,777 shares common stock of which 216,777 are to be sold by selling shareholders.
10-Q For: 9/30/73 Rec: 11/14/73

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C101850

S.E.C.
APR 1 1974
(Fees Received)

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1973   Commission file number 1-4278

CAPITAL CITIES COMMUNICATIONS, INC.
(Exact name of registrant as specified in its charter)

NEW YORK STATE (State or other jurisdiction of incorporation or organization)	14-1284013 (I.R.S. Employer Identification No.)
24 EAST 51st STREET, NEW YORK, N. Y. (Address of principal executive offices)	10022 (Zip Code)

Registrant's telephone number, including area code (212) 421-9595

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common stock, $1.00 par value	New York Stock Exchange
Convertible preferred stock, $1.00 par value	None

Securities registered pursuant to Section 12(g) of the Act:

None
(Title of class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X . No ___

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PART I

Item number and caption	Included herein Page	Incorporated herein by reference to Registration Statement (No. 2-50593) on Form S-1 filed March 29, 1974 Section	Pages
1. Business		Business	11-16
1(b)(4) Raw materials	A		
2. Summary of Operations		Consolidated Statement of Income	5-6
		Consolidated Statement of Stockholders' Equity	34
3. Properties		Properties	16-18
4. Parents and Subsidiaries		Item 27. Subsidiaries of Registrant	II-1
5. Legal Proceedings - None of a material nature.			
6. Increases and Decreases in Outstanding Securities	B		
7. Approximate Number of Equity Security Holders	C		
8. Executive Officers of the Registrant		Management	18-19
9. Indemnification of Directors and Officers		Item 29. Indemnification of Officers and Directors	II-2
10. Financial Statements and Exhibits			
(a) Financial statements and schedules of Capital Cities Communications, Inc. and Subsidiaries:			
(1) Consolidated balance sheet at December 31, 1973 and 1972		Financial Statements	33
(2) For the five years ended December 31, 1973:			
Consolidated statement of income		Consolidated Statement of Income	5-6
Consolidated statement of changes in financial position		Financial Statements	32
Consolidated statement of stockholders' equity		Financial Statements	34
Notes to consolidated financial statements		Financial Statements	35-39
(3) Schedules for the three years ended December 31, 1973:			
V - Property, plant and equipment			S-1
VI - Accumulated depreciation of property, plant and equipment			S-2
VII - Intangible assets			S-3
XII - Allowance for doubtful accounts			S-4
XVI - Supplementary income statement information		Note 10. Supplementary Income Statement Information	39

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Item number and caption	Incorporated herein by reference to Registration Statement (No. 2-50593) on Form S-1 filed March 29, 1974 Section	Pages

10. Financial Statements and Exhibits (Cont'd)

All other schedules have been omitted since the required information is not present or not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements or the notes thereto.

Financial statements and schedules of Capital Cities Communications, Inc. (not consolidated) are omitted since the Company is primarily an operating company, and all subsidiaries included in the consolidated financial statements are totally-held subsidiaries.

The financial statements, schedules and information listed in the Registration Statement (No. 2-50593) on Form S-1 filed on March 29, 1974 are incorporated herein by reference. With the exception of the pages listed in the above index, the Registration Statement is not to be deemed filed as part of this report.

(4) Reports of certified public accountants	Financial Statements	31
	Report of Certified Public Accountants	II-7

(b) Exhibits

(1) Exhibit I - Information concerning securities not registered under the Securities Act of 1933

(2) Consent of certified public accountants

PART II

11. to 15., inclusive

Registrant will file with the Commission not later than 120 days after the close of the fiscal year a definitive proxy statement pursuant to Regulation 14A involving the election of directors. Accordingly, the information required in Items 11. to 15., inclusive, which will be set forth in the proxy statement, is not included herein.

SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized.

CAPITAL CITIES COMMUNICATIONS, INC.
(Registrant)

By ______________________
William Kopta
Treasurer

Dated: April 1, 1974

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Item 1(b)(4). Raw materials

The broadcasting division uses no raw materials.

The primary raw material used by the publishing division is newsprint. Newsprint for the Fairchild publications is furnished by the contract printers. The Company's daily newspapers purchase their newsprint from various suppliers, the largest of which supplies approximately 45% of the requirements of The Oakland Press.

Item 6. Increases and decreases in outstanding securities

Date	Description	Title of class: Common stock, $1.00 par value (number of shares)	Title of class: Convertible preferred stock, $1.00 par value (number of shares)
Dec.31,1972	Issued and outstanding	7,074,426	301,651
Jan. 4,1973 to Nov.26,1973	Shares of common stock issued on conversion of preferred stock	85,766	(42,883)
Jan. 3,1973 to Nov.26,1973	Shares of common stock issued on exercise of employee stock options (1)(2)(3)	4,284	
Dec.31,1973	Issued and outstanding	7,164,476	258,768

(1) See Note 7 to Consolidated Financial Statements of the Company incorporated herein by reference to Registration Statement (No. 2-50593) on Form S-1 filed on March 29, 1974.

(2) Exemption claimed under Section 4(2) of the Securities Act of 1933. Issues of securities not involving a public offering.

(3) Securities have not been legended upon advice of counsel. Stop-transfer instructions have been given in connection therewith.

Item 7. Number of equity security holders

Title of class	Number of record holders as of Dec.31,1973
Common stock, $1.00 par value	2,426
Convertible preferred stock, $1.00 par value	47

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SEC FILE NO.
1-4278

Exhibit I
Information Concerning Securities Not Registered Under The Securities Act Of 1933

EDP ATTACHMENT for

FORM: 10-K

For Period Ended December 31, 1973

1. Name of Registrant: Capital Cities Communications, Inc.

2. Description of Security Sold: Common Stock, $1.00 Par Value

DO NOT WRITE BELOW THIS LINE - SEC USE ONLY

(a) Standard Industrial Classification ....

(b) Type of Security Code ....

(c) Control Number Identification ....

(d) CUSIP Number ....

(e) Security Exchange Code ....

SEC 1130 (1-72)

EDP ATTACHMENT

FOR EQUITY SECURITIES SOLD (Including Convertible Issues)

3. Number of shares or units sold	35
4. Sale or offering price per share or unit *(to three places, e.g., 15.875)*	$ 27.938
5. Average market price on date of sale *(if applicable)* . . *(to three places, e.g., 25.250)*	$ 40.188

FOR DEBT SECURITIES SOLD (Including Convertible Issues)

6. Price of debt securities sold *(to three places, e.g., at par 100.000)*	$
7. Final maturity date *(give year only, e.g., 1972)*	YEAR
8. Interest rate or coupon *(to three places, e.g., 08.725)*	PERCENT

FOR SECURITIES SOLD PURSUANT TO EXERCISE OF WARRANTS OR OPTIONS

9. a. Is this a sale of a security pursuant to the exercise of warrants or stock options? *(yes = 1; no = 2; insert 1 or 2 in the space provided)*	
b. Initial exercise price *(to three places, e.g., 18.875)*	$ 27.938

FOR CONVERTIBLE SECURITIES SOLD
(Both Preferred and Debentures with Conversion Features)

10. a. Initial conversion price *(to three places, e.g., 16.250)*	$
b. Average market price of the underlying security on the issue date of this sale . . . *(to three places, e.g., 15.125, if applicable)*	$
c. Date issue may first be converted *(give month and year, e.g., 06/72)*	/ MO/YR

AMOUNTS SOLD FOR CASH Item 12a = Items 13+14+15

11. Total amount of securities contracted for . . . *Thous.*	$
12. a. Amount of securities sold for cash . . . *Thous.*	$ 1
b. During fiscal quarter ending *(give dollar amount in $(000) and month and year of, e.g., 06/72)*	12 / 73 MO/YR
13. Amount sold for cash/first month of quarter . . . *Thous.*	$ 0
14. Amount sold for cash/second month of quarter . . . *Thous.*	$ 0
15. Amount sold for cash/third month of quarter . . . *Thous.*	$ 1

AMOUNTS SOLD FOR OTHER THAN CASH[1/]

16. Total amount of registrant's securities exchanged for outstanding security issue . . *(during reporting quarter)* . . . *Thous.*	$
17. Total amount of securities exchanged for securities other than registrant's or any other consideration *(during reporting quarter)* . . . *Thous.*	$

1/ Describe the outstanding security or consideration for which the exchange was made.

EXPENSES INCURRED BY ISSUER

18. Cash compensation paid to investment bankers, agents, or finders *(if any, give estimate to nearest dollar)* . . . . $______

19. Was any additional compensation other than cash, such as warrants, options, securities or contracts or anything else of value given to, or for the benefit of, an investment banker, agent or finder in connection with this issue? *(yes = 1; no = 2; insert 1 or 2 in the space provided)* . .

TYPE OF SECURITIES SOLD

20. Is this a new issue of securities *(code = 1, in space provided)* or a sale of reacquired securities *(code = 2, in space provided)* ? . . . .

21. Is this a sale of securities pursuant to the conversion of an equity issue *(code = 1, in space provided)* or a conversion of a debt security *(code = 2, in space provided)* ? .

CASH PROCEEDS OF ISSUE USED FOR REFINANCING PURPOSES

Estimate cash amounts of issue used for the following purposes:

22. a. Reduction of short-term bank loans *(under one year)*	Thous.	$
b. Payment of outstanding commercial paper	Thous.	$
c. Reduction of long-term bank loans *(one year and over)*	Thous.	$
d. Payment of other debt	Thous.	$
e. None of the above	Thous.	$ 1

CLASS OF PERSONS TO WHOM SECURITY SOLD

Please indicate the amount contracted for by the following groups:

23. a. Existing security holders	Thous.	$
b. Employees	Thous.	$ 1
c. Security holders of acquired business	Thous.	$
d. Life insurance companies	Thous.	$
e. Private noninsured pension plans	Thous.	$
f. State and local government pension plans	Thous.	$
g. Property and liability insurance companies	Thous.	$
h. Banks, for their own account	Thous.	$
i. Nonprofit institutions	Thous.	$
j. Other corporations	Thous.	$
k. Others	Thous.	$
l. Total	Thous.	$ 1
m. Amount taken by foreign institutions, included above	Thous.	$

Exhibit (2)

CONSENT OF CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Capital Cities Communications, Inc.

We consent to the incorporation by reference in this Annual Report (Form 10-K) of Capital Cities Communications, Inc. for the year ended December 31, 1973 of our reports dated February 28, 1974 with respect to the consolidated financial statements and schedules of Capital Cities Communications, Inc. listed in Item 10(a) and incorporated herein by reference to Registration Statement (No. 2-50593) on Form S-1 filed with the Securities and Exchange Commission on March 29, 1974.

ARTHUR YOUNG & COMPANY

New York, New York
April 1, 1974

As filed with the Securities and Exchange Commission on March 29, 1974

Registration No. 2-

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

Form S-1
REGISTRATION STATEMENT
Under
THE SECURITIES ACT OF 1933

Capital Cities Communications, Inc.
(Exact name of Registrant as specified in its charter)

24 East 51st Street
New York, N. Y. 10022
(Address of principal executive offices)

GERALD DICKLER, *Secretary*
CAPITAL CITIES COMMUNICATIONS, INC.
c/o Messrs. Hall, Dickler & Howley
460 Park Avenue
New York, N. Y. 10022
(Name and address of agent for service)

Approximate date of commencement of proposed sale to the public:
From time to time after the Registration Statement becomes effective.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities Being Registered	*Amount Being Registered*	*Proposed Maximum Offering Price Per Share(1)*	*Proposed Maximum Aggregate Offering Price(1)*	*Amount of Registration Fee*
Common Stock, $1 par value	188,122 shs.	$35.25	$6,631,301	$1,326

(1) This amount is estimated solely for the purpose of calculating the registration fee and is not a representation as to the actual offering price. The amount of $35.25 is based upon the closing price of the Common Stock on the New York Stock Exchange on March 27, 1974. The Common Stock, including shares to be issued upon conversion of the $.50 Cumulative Convertible Preferred Stock in connection with this offering, will be sold from time to time, during the period in which this Registration Statement is effective, without any underwriting arrangements, at the then prevailing market prices on the New York Stock Exchange or otherwise, or will be issued and delivered pursuant to the Employee Stock Options described in this Registration Statement, as the case may be. Such market and option exercise price or prices may not be identical to the amount estimated for purposes of calculating this registration fee.

Pursuant to Rule 429 of the Rules and Regulations promulgated under the Securities Act of 1933, the Prospectus relates also to shares of Common Stock of the Company included in a Registration Statement (No. 2-45031) which became effective on November 14, 1972 and in a Registration Statement (No. 2-48440) which became effective on August 14, 1973.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Capital Cities Communications, Inc.

Cross Reference Sheet

Item Number and Caption	Heading in Prospectus
1. Distribution Spread	Cover Page
2. Plan of Distribution	Cover Page; Selling Shareholders
3. Use of Proceeds to Registrant	Use of Proceeds
4. Sales Otherwise Than for Cash	*
5. Capital Structure	Capitalization
6. Summary of Earnings	Consolidated Statement of Income
7. Organization of Registrant	The Company
8. Parents of Registrant	*
9. Description of Business	The Company; Business
10. Description of Property	Properties
11. Organization within 5 Years	*
12. Legal Proceedings	*
13. Capital Stock Being Registered	Description of Common Stock; Stock Option Plans; Selling Shareholders
14. Long-Term Debt Being Registered	*
15. Other Securities Being Registered	*
16. Directors and Executive Officers	Management
17. Remuneration of Directors and Officers	Management
18. Options to Purchase Securities	Management; Stock Option Plans
19. Principal Holders of Securities	Principal Holders of Securities
20. Interest of Management and Others in Certain Transactions	*
21. Financial Statements	Index to Financial Statements

* Indicates that item is omitted from the Prospectus because it is not applicable or the answer is in the negative.

Preliminary Prospectus dated March 29, 1974

PROSPECTUS

A registration statement relating to these securities has been filed with the Securities and Exchange Commission but has not yet become effective. Information contained herein is subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State.

351,974 Shares

Capital Cities Communications, Inc.

(Formerly Capital Cities Broadcasting Corporation)

Common Stock

(par value, $1 per share)

Of the 351,974 shares of common stock, par value $1 per share (the "Common Stock") of Capital Cities Communications, Inc. (the "Company") offered hereby, 25,000 shares are being registered by the Company pursuant to an amendment to the 1972 Employee Stock Option Plan (the "Option Plan"), 98,774 shares are issuable on the exercise of stock options given in replacement of stock options granted under previously approved Qualified Stock Option Plans (see "Stock Option Plans" herein), and 228,200 shares of Common Stock, including 63,348 shares arising from the conversion of 31,674 shares of Preferred Stock, are being sold by certain selling shareholders (the "Selling Shareholders") whose names and holdings are set forth at "Selling Shareholders".

The Company's Common Stock is listed and traded on the New York Stock Exchange and on the Boston Stock Exchange. On March 27, 1974, the closing price of the Company's Common Stock on the New York Stock Exchange was $35.25 per share.

The shares being registered are being offered without any underwriting arrangements, except that certain Selling Shareholders and brokers effecting sales for such Selling Shareholders may be deemed to be "underwriters" as defined in the Securities Act of 1933, as amended. The shares being registered will be sold, from time to time, at the then prevailing prices during the period in which this Prospectus is effective, on the New York Stock Exchange, the Boston Stock Exchange, or otherwise, or will be issued and delivered in accordance with the Option Plan and pursuant to stock option agreements (See "Stock Option Plans").

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Prospectus is , 1974

No dealer, salesman or other person has been authorized to give any information or to make any representation other than those contained in this Prospectus and if given or made, such information or representation must not be relied upon as having been authorized by the Company. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create an implication that there has been no change in the affairs of the Company since the date hereof. This Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized, or in which the person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation.

TABLE OF CONTENTS

THE COMPANY

Capital Cities Communications, Inc. (the "Company"), a New York corporation, has been engaged in radio broadcasting since 1947, in television broadcasting since 1953 and in publishing since 1968, upon its merger with Fairchild Publications, Inc. ("Fairchild"). Initially incorporated as Hudson Valley Broadcasting Company, Inc. in 1946, the Company, in May 1973, changed its name from Capital Cities Broadcasting Corporation to its present name. The principal offices of the Company are located at 24 East 51st Street, New York, New York 10022 and its telephone number at such offices is 212/421-9595. Except as otherwise indicated, references to the "Company" include its consolidated subsidiaries. At December 31, 1973, the Company had 2,123 employees of which 908 were engaged in broadcasting and 1,215 in publishing. Further description of the Company's business appears under the captions "Business" and "Properties," including information related to a proposed purchase under "Business — Pending Acquisition of Carter Publications, Incorporated."

USE OF PROCEEDS

Proceeds received or to be received by the Company from the sale of Common Stock issuable pursuant to the Option Plan being registered or upon exercise of stock options outstanding have been, or will be, as the case may be, used for general corporate purposes. The Company will not receive any proceeds from sale of Common Stock being registered by the Selling Shareholders.

CAPITALIZATION

The consolidated capitalization of the Company at February 28, 1974 and as adjusted to give effect to completion of this offering is as follows:

	Amount Outstanding(1)(2)	As Adjusted
Notes payable to Triangle Financial, Inc. relating to the purchase of broadcasting properties which are pledged as collateral thereto, bearing interest at prime rate or 5%, whichever is higher, due 1975-1979	$46,841,654	$46,841,654
Convertible Preferred Stock, $1 par value (600,000 shs. authorized)	250,253 shs.	218,579 shs.(3)
Common Stock, $1 par value (20,000,000 shs. authorized)	7,181,506 shs.	7,244,854 shs.(3)

(1) Includes current maturities of long-term debt of $10,125,000.

(2) See Notes to Consolidated Financial Statements as to additional details in connection with indebtedness, conversion and voting privileges of Preferred Stock and regarding Common Stock reserved for issuance in connection with exercise of options granted.

(3) Adjusted to reflect anticipated conversion of Preferred Stock into Common Stock to obtain certain shares of Common Stock being registered for sale hereunder and assumes no shares of the Common Stock being registered pursuant to the Company's Option Plans have been issued on exercise of options.

DIVIDEND POLICY

The Company has followed a policy of retaining all earnings to finance the growth and development of its business. It is the present intention of the Board of Directors to continue this policy. The payment of dividends in the future will rest within the discretion of the Board of Directors and will depend, among other things, upon earnings, capital requirements, the financial condition of the Company, and dividend obligations with respect to the Company's $.50 Cumulative Convertible Preferred Stock (the "Preferred Stock"). The payment of cash dividends is restricted as set forth in Note 5 to Consolidated Financial Statements.

PRICE RANGE OF COMMON STOCK

The Common Stock is listed for trading on the New York Stock Exchange and the Boston Stock Exchange. The high and low sales prices of the Company's Common Stock on the New York Stock Exchange during the last five years and during the first quarter of the current year are as follows:

Period	High	Low
1969 (1)	39½	26
1970	36½	19½
1971	49¾	29
1972	64¼	48
1973	62½	30
January 1 — March 27, 1974	39¼	28½

(1) Prices adjusted to give effect to the 2 for 1 stock split in 1969.

On March 27, 1974, the reported closing price of the Common Stock on the New York Stock Exchange was $35.25 per share.

CONSOLIDATED STATEMENT OF INCOME

CAPITAL CITIES COMMUNICATIONS, INC. AND SUBSIDIARIES

The following consolidated statement of income for the five years ended December 31, 1973 has been examined by Arthur Young & Company, certified public accountants, whose report with respect thereto appears elsewhere herein. The statement should be read in conjunction with the other consolidated financial statements and notes of the Company appearing in this Prospectus.

	Year Ended December 31,				
	1973	1972	1971	1970	1969
	(in thousands of dollars, except per share data)				
Net revenues — Broadcasting and publishing (a)	$127,498	$118,488	$98,076	$85,858	$85,187
Operating expenses:					
Broadcasting and publishing	48,027	46,067	37,309	34,033	32,329
Selling, general and administrative	32,064	31,585	27,514	24,240	23,461
Depreciation	2,842	2,750	2,945	2,300	2,268
	82,933	80,402	67,768	60,573	58,058
Operating income	44,565	38,086	30,308	25,285	27,129
Other (income) and expense:					
Interest and financing expense	5,405	4,356	4,524	1,960	2,162
Interest income	(2,333)	(1,310)	(1,445)	(606)	(330)
Miscellaneous, net	(43)	(553)	(169)	(243)	(186)
	3,029	2,493	2,910	1,111	1,646
Income before income taxes and extraordinary items	41,536	35,593	27,398	24,174	25,483
Income taxes:					
State and local	3,420	[illegible]198	2,256	1,409	1,625
Federal	17,97[illegible]	15,380	12,013	11,254	12,475
	21,390	18,578	14,269	12,663	14,100
Income before extraordinary items	20,146	17,015	13,129	11,511	11,383
Extraordinary items — 1971 gain on sale of Albany and Huntington television stations of $28,258, less income taxes of $10,090. 1970 costs relating to discontinuance of in-house printing of Fairchild publications of $4,700, net of $2,500 tax benefit and gain on disposal of other properties	—	—	18,168	(2,036)	—
Net income (a)	$ 20,146	$ 17,015	$31,297	$ 9,475	$11,383
Income per share:					
Common stock and common stock equivalents (b)(c):					
Income before extraordinary items	$2.61	$2.29	$1.80	$1.64	$1.65
Extraordinary items	—	—	2.50	(.29)	—
Net income	$2.61	$2.29	$4.30	$1.35	$1.65
Fully diluted (b)(c):					
Income before extraordinary items	$2.61	$2.21	$1.72	$1.57	$1.55
Extraordinary items	—	—	2.38	(.28)	—
Net income	$2.61	$2.21	$4.10	$1.29	$1.55

NOTES TO CONSOLIDATED STATEMENT OF INCOME

CAPITAL CITIES COMMUNICATIONS, INC. AND SUBSIDIARIES

(a) See Note 1 to Consolidated Financial Statements for information regarding pooling of interests in 1972 and Note 2 as to the proposed acquisition of Carter Publications, Incorporated ("Carter").

On April 27, 1971, pursuant to an agreement dated February 13, 1970, operating assets of television stations WPVI-TV, Philadelphia, Pennsylvania; WTNH-TV, New Haven, Connecticut; and KFSN-TV, Fresno, California were purchased from Triangle Publications, Inc. Consideration of $110,000,000 plus approximately $8,500,000 for various adjustments, including assumption of liabilities, was paid for the television stations, certain other broadcasting properties and six radio stations. The radio stations were simultaneously resold for amounts totaling $14,455,000. Concurrently with this transaction, assets related to television stations WTEN, Albany, New York and WSAZ-TV, Huntington, West Virginia were sold for $37,000,000 cash. The consolidated statement of income includes operations of the properties for their respective periods of ownership. On the basis of unaudited statements of the properties purchased and sold, adjusted to give effect to acquisition adjustments, it is estimated that, had such purchases and sales occurred on January 1, 1971, the Company's pro forma net revenues, income and income per share before extraordinary gain for the year 1971 would have been $103,800,000, $13,300,000 and $1.83 per share ($1.74 fully diluted), respectively.

(b) The $1 par value convertible preferred stock is a common stock equivalent. Accordingly, net income, without reduction for the dividend requirement for the preferred stock, is attributable to common and common equivalent shares. The number of common and common equivalent shares outstanding has been adjusted, where applicable, to reflect the 1969 stock split and the issuance of shares in the acquisition accounted for as a pooling of interests.

(c) Shares of stock used in calculation of income per share (000's omitted):

	Year Ended December 31,				
	1973	1972	1971	1970	1969
Common stock and common stock equivalents:					
Average common shares outstanding during the period ...	7,124	6,731	6,493	6,141	5,876
Average common share equivalents attributable to convertible preferred shares outstanding during the period	555	654	746	886	1,029
Average incremental common share equivalents attributable to stock options issued after May 31, 1969	38	57	41	2	8
Total common stock and common stock equivalents	7,717	7,442	7,280	7,029	6,913
Additional incremental shares attributable to common stock warrants and options issued prior to June 1, 1969	2	255	345	320	427
Total number of shares assuming full dilution	7,719	7,697	7,625	7,349	7,340

CONSOLIDATED STATEMENT OF INCOME(1)

CARTER PUBLICATIONS, INCORPORATED AND SUBSIDIARIES

The following consolidated statement of income of Carter Publications, Incorporated and Subsidiaries for the three years ended December 29, 1973, has been examined by Ernst & Ernst, independent accountants, as set forth in their report included elsewhere in this Prospectus. This statement should be read in conjunction with the other financial statements and notes thereto of Carter Publications, Incorporated and Subsidiaries appearing in this Prospectus.

	Fiscal Year		
	1973	1972	1971
Net revenues	$33,463,365	$31,239,581	$27,218,578
Expenses:			
Operating costs	21,190,235	19,576,791	17,584,962
Selling, general and administrative	4,537,252	4,070,978	3,718,768
Depreciation	965,668	910,391	868,272
	26,693,155	24,558,160	22,172,002
Operating income	6,770,210	6,681,421	5,046,576
Other income (expense):			
Interest and dividend income	812,860	379,348	238,724
Interest expense(2)	(58,939)	(46,739)	(97,163)
Miscellaneous, net	(7,012)	34,236	136,047
	746,909	366,845	277,608
Income before income taxes	7,517,119	7,048,266	5,324,184
Income taxes(3)	3,410,421	3,223,777	2,412,612
Income from operations to be acquired by Capital Cities	4,106,698	3,824,489	2,911,572
Income from other operations, net of applicable income taxes	1,626,323	1,502,412	1,228,678
Income before extraordinary items	5,733,021	5,326,901	4,140,250
Extraordinary items, net of applicable income taxes(4)	—	738,497	—
Net income	$ 5,733,021	$ 6,065,398	$ 4,140,250

(1) This statement has been prepared to reflect operations of properties to be acquired by Capital Cities Communications, Inc. pursuant to the purchase agreement dated January 6, 1973, as amended. Income from other operations and extraordinary items have been shown separately.

(2) Interest on long-term debt was $47,727 in 1973, $45,000 in 1972, and $57,142 in 1971.

(3) Reference is made to Note E of Notes to Consolidated Financial Statements for information concerning income taxes and investment tax credits.

(4) Extraordinary items in 1972 included a gain on condemnation of a radio facility ($154,853) and a gain on sale of stock in certain subsidiaries ($857,193), less applicable income taxes.

PRO FORMA COMBINED STATEMENT OF INCOME (a)

CAPITAL CITIES COMMUNICATIONS, INC. AND CARTER PUBLICATIONS, INCORPORATED
(Excluding operations of WBAP-TV, to be acquired by another purchaser)

Year Ended December 31, 1973 (Unaudited)
(In thousands of dollars, except per share data)

	Capital Cities	Carter	Pro Forma Adjustments (see notes)	Pro Forma Combined
Net revenues	$127,498	$33,463		$160,961
Operating expenses:				
Broadcasting and publishing	48,027	21,190		69,217
Selling, general and administrative	32,064	4,537		36,601
Depreciation	2,842	966	530(b)	4,338
	82,933	26,693		110,156
Operating income	44,565	6,770		50,805
Other (income) and expense:				
Interest and financing expense	5,405	59	3,467(c)	8,931
Interest and dividend income	(2,333)	(813)	1,311(c)	(1,835)
Miscellaneous, net	(76)	7		(69)
	2,996	(747)		7,027
Income before income taxes	41,569	7,517		43,778
Income taxes	21,390	3,410	(2,654)(d)	22,146
Income before amortization of intangibles	20,179	4,107		21,632
Amortization of intangibles	33	—	936(e)	969
Net income*	$ 20,146	$ 4,107		$ 20,663
Net income per share	$2.61			$2.68

* Amortization of intangibles has been deducted in arriving at pro forma combined net income in accordance with Opinion 17 of the Accounting Principles Board of the American Institute of Certified Public Accountants. This Opinion requires that the cost of purchased properties in excess of amounts allocated to net tangible assets acquired under agreements entered into subsequent to October 31, 1970 be amortized over a period not to exceed 40 years. In the opinion of the Company's management, these intangibles are not ordinarily subject to decline in value.

NOTES TO PRO FORMA COMBINED STATEMENT OF INCOME

CAPITAL CITIES COMMUNICATIONS, INC. AND CARTER PUBLICATIONS, INCORPORATED

(a) This pro forma statement of income for the year ended December 31, 1973, combines the operational results of Capital Cities and Carter for the year, excluding from Carter the results of operations of WBAP-TV, to be acquired by another purchaser. The combined results as shown are not necessarily indicative of the actual results that would have been obtained had the proposed acquisition been consummated at the beginning of 1973, nor those that would be obtained in future periods. If and when the acquisition is consummated, it would be accounted for under the purchase method of accounting with results of operations included only from the date of acquisition.

(b) Estimated additional depreciation of Carter arising from the anticipated revaluation of plant and equipment in connection with the allocation of purchase cost.

(c) Estimated interest and financing expense (net of amounts actually paid) relating to notes in the amount of $59,108,700 to be issued to Carter shareholders. Amounts were computed using the revised contractual rate of 6% plus the agreed .5% fee payable for the related bank letters of credit. Interest income has been decreased to give effect to loss of investment income at the 1973 average rate of 8% on the $16,391,300 to be paid to Carter shareholders at the closing.

(d) Federal and state income tax benefits arising from the above-mentioned pro forma adjustments.

(e) The purchase price and estimated related costs of $81,050,000 less the estimated net tangible assets at January 1, 1973 of $43,591,000 results in intangibles of $37,459 000 which are to be amortized over a 40-year period on a straight line basis. Primarily as a result of the reinvestment of 1973 Carter income, the estimated excess at January 1, 1974, as shown on the pro forma condensed combined balance sheet at December 31, 1973, would have been reduced to $31,227,000 and the annual amortization to $781,000. It is not possible to predict what the excess will be at the date of acquisition or the related effect on its annual amortization.

PRO FORMA CONDENSED COMBINED BALANCE SHEET

CAPITAL CITIES COMMUNICATIONS, INC. AND CARTER PUBLICATIONS, INCORPORATED

December 31, 1973 (Unaudited)

(Thousands of dollars)

ASSETS

	Carter			Capital Cities	Pro Forma Adjustments (see notes)		Pro Forma Combined
	Per Books	(a)	Adjusted		Debit	Credit	
Current Assets							
Cash and cash equivalents	$12,496		$12,496	$ 35,857		$15,391(b)	$ 32,962
Accounts and notes receivable	4,981		4,981	21,494			26,475
Inventories	1,182		1,182	693			1,875
Film contract rights	304	$ (304)	—	5,475			5,475
Prepaid expenses	119	(3)	116	2,194			2,310
Total current assets	19,082		18,775	65,713			69,097
Property, Plant and Equipment, net	15,723	(2,217)	13,506	28,439	$13,694(b)		55,639
Intangible Assets, at cost	3,500		3,500	129,041	23,406(b) 4,321(c)		160,268
Notes Receivable	—		—	8,950			8,950
Film Contract Rights	—		—	3,655			3,655
Investments, at cost	3,064		3,064	727	5,836(b)		9,627
Other Assets	316		316	1,340		1,000(b) 136(c)	520
	$41,685		$39,161	$237,865			$307,756

LIABILITIES AND STOCKHOLDERS' EQUITY

	Carter			Capital Cities	Pro Forma Adjustments (see notes)		Pro Forma Combined
	Per Books	(a)	Adjusted		Debit	Credit	
Current Liabilities							
Accounts payable and accrued items	$ 3,716		$ 3,716	$ 10,100		650(c)	$ 14,466
Film contracts	174	(174)	—	3,914			3,914
Taxes on income	1,416		1,416	8,546		5,000(c)	14,962
Notes payable, due within one year	—		—	10,125			10,125
Total current liabilities	5,306		5,132	32,685			43,467
Deferred Income Taxes	1,465		1,465	7,376	1,465(c)		7,376
Notes Payable, due after one year	—		—	46,842		59,109(b)	105,951
Other Deferred Liabilities	—		—	9,056			9,056
Total liabilities	6,771		6,597	95,959			165,850
Stockholders' Equity							
Convertible preferred stock, $1 par value	—		—	259			259
Common stock, $1 par value	—		—	7,164			7,164
Common stock, $100 par value	20,000	(6,300)	13,700	—	13,700(b)		—
Additional paid-in capital	—	3,950	3,950	8,460	3,950(b)		8,460
Retained earnings	14,914		14,914	126,023	14,914(b)		126,023
Total stockholders' equity	34,914		32,564	141,906			141,906
	$41,685		$39,161	$237,865			$307,756

(a) Elimination of assets and certain liabilities and related adjustment to Stockholders' Equity relating to WBAP-TV which would be acquired by an unrelated company.

(b) Recording of cash payments to be made and notes payable to be issued at the closing to the selling shareholders of Carter and the elimination of Stockholders' Equity accounts and allocation of excess cost to applicable assets. Values have been assigned to Property, Plant and Equipment on the basis of Capital Cities management estimates and to Investments at their approximate market value as indicated in the consolidated balance sheet of Carter on page 41 of this Prospectus.

(c) Taxes arising through depreciation and investment credit recapture (less elimination of deferred income tax liability) and expenses of acquisition including FCC transfer fees.

BUSINESS

General

The Company derives all broadcasting revenues and in excess of 80% of publishing revenues from the sale of advertising. Subscription and other circulation receipts from publishing constitute the only other material source of revenue. The following table sets forth the contributions of the Company's two lines of business to its consolidated net revenues and operating income for each of the last five years. Amounts for 1971 have been restated to include the operations of Belleville News-Democrat, Inc. ("Belleville") which was acquired June 7, 1972. Interest and other income and expense have not been allocated because investment and borrowing policies are based upon overall financial considerations, and are not attributable to any particular line of business.

Consolidated Net Revenues and Operating Income
By Line of Business
(Thousands of dollars)

Net revenues	Total	Publishing	Broadcasting
1973	$127,498	$51,432	$76,066
1972	118,488	48,603	69,885
1971	98,076	41,857	56,219
1970	85,858	41,209	44,649
1969	85,187	39,509	45,678
Operating income			
1973	44,565	9,133	35,432
1972	38,086	7,505	30,581
1971	30,308	7,156	23,152
1970	25,285	4,368	20,917
1969	27,129	5,768	21,361

The Company's pricing practices as of March 15, 1974 have been exempted from the Economic Stabilization Act of 1970, as amended (the "Stabilization Act") and rules and regulations promulgated thereunder. Compensation practices have also been so exempted except with respect to certain incentive compensation and the compensation of certain key executives. Compliance with the Stabilization Act has not resulted in any material adverse effect on the Company's operations although no assurance can be given with respect to future developments.

Publishing

Fairchild is primarily engaged in gathering and publishing business news and ideas for industries covered by its various publications: *Women's Wear Daily, Home Furnishings Daily, Daily News Record, Footwear News, Supermarket News, Electronic News, Metalworking News, American Metal Market, "W" and Metal/Center News and Men's Wear* magazines. All of the Fairchild publications are printed by outside printing contractors.

In January 1972, Fairchild purchased *American Metal Market*, a daily newspaper serving primary and secondary metal users, and *Metal/Center News*, a magazine serving distributors of ferrous and nonferrous metals. The newspaper has been combined with the previously published *Metalworking News* to give increased coverage in the metal industry.

On April 7, 1972, Fairchild commenced publication of "W", a new biweekly consumer newspaper devoted primarily to women and featuring people, fashion and daily living. Start-up costs and promotional expenses exceeded revenues by approximately $400,000 and $800,000 in 1973 and 1972, respectively, and were charged to expense during the years. The publication reached a circulation of 140,000 paid subscribers at the end of 1973 and it is believed that there is a reasonable chance that it will break even during 1974.

Fairchild's business is highly competitive. In its various news publishing activities it competes with almost all other information media, and this competition may become more intense as communications equipment is improved and new techniques are developed. Many metropolitan general newspapers and many small-city or suburban papers carry business news. In addition to special magazines in the fields covered by Fairchild's publications, general news magazines publish substantial amounts of business material. Nearly all of these publications seek to sell advertising space and much of this effort is directly or indirectly competitive with the Fairchild publications. Fairchild's orders booked for display advertising (its primary source of revenue) at March 22, 1974 for the first six months of 1974 totaled $11,629,000 as compared to $10,493,000 booked at March 23, 1973 for the 1973 period.

The Oakland Press, purchased by the Company on May 20, 1969, is a daily evening newspaper with a circulation of approximately 75,000 and serves a suburban area adjacent to Detroit, Michigan. As such, it is in competition with Detroit metropolitan newspapers as well as other advertising media such as broadcast stations, magazines and billboards. Formerly *The Pontiac Press*, its name was changed early in 1972 to give recognition to its primary service area.

The Belleville News-Democrat, an Illinois newspaper serving a suburban area adjacent to St. Louis Missouri, was acquired in exchange for 128,000 shares of the Company's Common Stock on June 7, 1972. This paper is published in the afternoon, Monday through Friday, and has a circulation of approximately 31,000, and competes with St. Louis metropolitan newspapers and other local advertising media.

The Company has entered into an agreement to acquire the *Fort Worth Star-Telegram* (See "Pending Acquisition of Carter Publications, Incorporated" herein).

Broadcasting

The Company presently owns and operates five very high frequency (VHF) television stations, one ultra high frequency (UHF) television station, six standard (AM) radio stations and five frequency modulation (FM) radio stations. Market locations, frequencies, transmitter power and other station details are set forth in tables under the caption "Properties". Television broadcasting operations accounted for 74% of net revenues and 75% of operating income of the broadcasting division in 1973, compared to 73% of net revenues and 74% of operating income in 1972. The proportionate contribution of television broadcasting operations has been increasing each year since 1967, due mainly to upgrading of the Company's television properties into larger markets. On July 18, 1967, the Company acquired the net assets of KTRK-TV, Houston, Texas, in exchange for the net assets of WPRO-TV, Providence, Rhode Island, and additional cash consideration. On May 31, 1970, radio station WSAZ, Huntington, West Virginia, was sold for cash.

On April 27, 1971 the Company purchased the operating assets of two major market VHF television stations, WPVI-TV, Philadelphia, Pennsylvania, and WTNH-TV, New Haven, Connecticut, and one UHF television station, KFSN-TV, Fresno, California. Concurrently with this transaction assets relating to two major market VHF television stations, WTEN-TV, Albany, New York, and WSAZ-TV, Huntington, West Virginia, were sold. See Note 2 to Consolidated Financial Statements.

See "Pending Acquisition of Carter Publications, Incorporated" herein with respect to the proposed acquisition of WBAP-AM and KSCS-FM, Fort Worth, Texas.

Broadcast time orders for the first six mon . of 1974 booked at March 21, 1974 aggregated $26,256,000 as compared to $28,580,000 booked at March 22, 1973 for the like 1973 period.

Broadcasting Competition

The Company's television and radio stations are in competition with other television and radio stations, as well as other advertising media such as newspapers, magazines and billboards.

Competition in the television broadcasting industry occurs primarily in individual market areas. Generally, a television broadcasting station in one market does not compete with other stations in other market areas, nor does a group of stations, such as those owned by the Company, compete with any other group of stations as such. While the pattern of competition in the radio broadcasting industry is basically the same, it is not uncommon for radio stations outside of a market area to place a signal of sufficient strength within that area to gain a share of the audience.

In addition to management and experience, factors which are material to competitive position include authorized power allowance, assigned frequency, network affiliation, and local program acceptance, as well as strength of local competition.

Under present regulations of the Federal Communications Commission ("FCC") no additional VHF television commercial stations may be constructed or operated in any of the cities where the Company's television stations are located. While at the present time the Company's VHF television stations receive only limited competition from UHF television stations located within the coverage areas of the respective stations, the FCC is endeavoring to increase utilization of UHF stations. Moreover, television set manufacturers are required to produce only all-wave receivers capable of receiving both VHF and UHF signals.

There are sources of television service other than conventional television stations. The most common at present is Community Antenna Television ("CATV"). CATV can provide more competition for broadcast stations by making additional signals available to a station's audience. The FCC has recently adopted rules intended to facilitate the development of CATV while avoiding undue competitive impact on the basic structure of television broadcasting. Judicial review of these rules is being sought by various parties. No prediction can be made as to whether the new rules will be upheld or the extent to which CATV systems bringing additional signals into the markets of the Company's stations will develop.

Some CATV systems have begun supplying additional programming to subscribers that is not originated on, or transmitted from, conventional television broadcasting stations. The FCC has adopted a rule requiring all systems with more than 3,500 subscribers to commence program originations of a local nature. In addition, there have been attempts to develop television service that emphasizes the origination and/or distribution for a fee of programming not available as a part of conventional free television service. These attempts have thus far had limited success, but there may be additional attempts in the future, either independently or in combination with CATV, and the Company can predict neither the future competitive impact on broadcasting of such services, nor the manner in which such services may be regulated.

Federal Regulation of Broadcasting

Television and radio broadcasting are subject to the jurisdiction of the FCC under the Communications Act of 1934, as amended (the "Communications Act"). The Communications Act empowers the FCC, among other things, to issue, revoke or modify broadcasting licenses, to determine the location of stations, to regulate the equipment used by stations, to adopt such regulations as may be necessary to carry out the provisions of the Communications Act and to impose certain penalties for violation of such regulations.

Broadcasting licenses may be granted for a maximum period of three years and are renewable for additional three-year periods upon application and approval. During certain periods when a renewal application is pending, the Communications Act, as implemented by the FCC, permits competing applicants to file for the frequency in use by the renewal applicant, and may entitle the competing applicants to a comparative hearing in competition with the renewal applicant. At present, the renewal applications of three of the Company's stations are pending, as to all of which the time to file competing applications has expired without any such filings being made. The FCC has under consideration in a pending inquiry the question of the circumstances in which an existing licensee should be entitled to renewal in preference to a new applicant. No prediction can be made as to the results of this inquiry. The current status of the licenses for the Company's stations is set forth in the tables under the caption "Properties".

The FCC, other Federal agencies and Congressional committees periodically conduct hearings and inquiries relating to various facets of the communications industry. Some of these hearings and inquiries could result in legislation or regulatory action that would affect the Company's stations.

The FCC has under consideration a proposal that commercial broadcasting stations be required to provide both free and paid time to persons seeking to criticize products or services advertised by such stations. No prediction can be made as to the action, if any, that may be taken on this proposal.

The Company's television station at Buffalo, New York, WKBW-TV, serves substantial audiences in adjacent portions of Canada. A part of the station's revenue is derived from advertisers seeking to reach those audiences, a significant portion of whom receive the WKBW-TV signal via CATV systems. The Canadian Radio-Television Commission issued a policy statement in July 1971 which, among other things, proposed that Canadian tax laws be amended to render the cost of advertising on United States stations a non-deductible expense. The same policy statement sought to encourage Canadian CATV operators to enter into agreements with Canadian television stations providing for deletion of commercials on channels of United States stations carried by the CATV systems and substitution of commercials supplied by Canadian stations. No action on the tax proposal has been taken by the Canadian government. There have been several instances in which the Canadian Radio-Television Commission has purported to require Canadian cable systems to engage in commercial deletion and substitution on the channels of United States stations, but only one of which the Company is aware (affecting a Calgary, Alberta cable system) in which agreements providing for such a practice have apparently been reached. There is another instance in which a cable operator in Toronto has engaged in limited deletions of commercials on the channels of WKBW-TV and other United States stations, substituting promotional announcements for aspects of his own cable service. Counsel for the Company and the other affected United States station licensees addressed a letter to the cable operator involved demanding that the practice cease, whereupon the cable operator applied to the Canadian Radio-Television Commission for explicit authority sanctioning his practice. The Company and other affected United States station licensees have protested this application and have lodged further protests against the practice with appropriate agencies of the United States Government. The Company is also considering various remedies it may have in the Canadian courts. No prediction can be made as to future developments in all these respects.

Pending Acquisition of Carter Publications, Incorporated

On January 6, 1973, the Company entered into an agreement, amended February 25, 1974, (hereinafter "Sales Agreement") with the stockholders of Carter Publications, Incorporated, a Texas corporation (hereinafter "Carter"), pursuant to which the Company may acquire approximately 68.5% of Carter's issued and outstanding capital stock. The remaining 31.5% of Carter's stock is to be acquired by LIN Broadcasting Corporation, an unrelated broadcasting company.

Carter is the owner of the *Fort Worth Star-Telegram,* a daily newspaper with a total morning and evening circulation of approximately 235,000 and a Sunday circulation of 220,000, WBAP-AM, a 50,000 watt AM radio station, KSCS-FM, an FM radio station and a television station, all licensed to Fort Worth, Texas and of an 80% interest in the Arlington, Texas *Citizen-Journal,* a suburban newspaper published three times weekly. If and when the transaction is consummated, LIN Broadcasting Corporation (hereinafter "television purchaser") will receive the properties associated with the television station and the Company will receive the remaining properties of Carter.

The aggregate purchase price is $110,500,000, of which the television purchaser will pay $35,000,000 and the Company will pay $16,391,300 in cash and issue its promissory notes for $59,108,700 (hereinafter "Notes"), payable over a five-year period in varying instalments commencing one year from the date of closing and bearing interest at 6%, payable in quarterly instalments. The Company has deposited $1,500,000 in escrow and has furnished each of the Carter stockholders with a written commitment from Chemical Bank to issue to each of them, at the closing of the transaction, unconditional letters of credit guaranteeing payment of the principal of the Notes. The Company has entered into a commitment agreement with Chemical and other banks which requires, among other things, that the Company maintain current assets equal to current liabilities and certain cash-to-debt and equity-to-debt ratios, restrict the incurrence of additional long-term debt and limit dividends to one-third of consolidated income before extraordinary gains accrued subsequent to December 31, 1972. The bank agreement also requires that the Company pledge as security for the letters of credit all the stock of its wholly-owned subsidiaries, Fairchild Publications, Inc., Belleville News-Democrat, Inc., and Oakland Press Company, the stock or assets of Carter to be acquired at the closing and real and personal properties associated with its broadcasting licenses at all locations other than Connecticut, Pennsylvania and Fresno, California, which properties are pledged as collateral for the notes payable to Triangle Financial, Inc. The Company has agreed to guaranty the payment of certain subordinated convertible notes of the television purchaser which are to be acquired at the closing by the Employees Pension Trust of Carter Publications, Inc., to the extent of $1,255,000 of principal, together with interest thereon at 8%. At the closing, the Company will repay the television purchaser the sum of $1,020,625 heretofore received from the television purchaser, representing the 1974 annual instalment due to the Company from the television purchaser in payment of certain promissory notes, issued in connection with a previous unrelated transaction, aggregating $6,123,750 and will agree to defer to January 5, 1979 the collection of $5,103,125 of the aggregate principal of such notes, which are currently due and payable in annual instalments of $1,020,625.

The entire transaction is to be consummated within thirty (30) days following a final order of the FCC which approves the transfer of Carter's licenses of the radio stations to the Company and of its license for the television station to the television purchaser. Applications to the FCC for these approvals have been filed. The Sales Agreement requires such approvals to be obtained on or before April 30, 1974, unless extended by the parties. As a prerequisite to the approval of the assignments of these licenses to the Company and the television purchaser, the FCC must first approve renewal of the Carter licenses as being in the public interest. A Petition to Deny the Carter renewal applications was filed on June 30, 1971 by Civic Telecasting Corporation (hereinafter "Petitioner") which alleges that Carter has engaged in anti-competitive practices by its ownership of the broadcasting stations and the *Fort Worth Star-Telegram* and certain community antenna television systems. As a condition to the approval of the assignments of the licenses by Carter, the FCC must also find that the Company is qualified to acquire WBAP-AM and KSCS-FM, that the television purchaser is qualified to acquire WBAP-TV and that these assignments would be in the public interest. Petitioner, on May 13, 1973, filed a Petition to Deny the assignments of the licenses to the Company and the television purchaser. The Company cannot predict when the FCC will act upon the applications nor can there by any assurance that the FCC will approve the license transfers, without which approvals the transaction cannot be consummated.

If the Company fails to comply with certain conditions in the Sales Agreement, it is liable to the Carter stockholders for liquidated damages of $1,500,000 and may be liable to the television purchaser for damages of up to $350,000. The Company also has the right to withdraw from the transaction upon payment of said sums to the Carter stockholders and the television purchaser, respectively, or, under certain contingencies, such as failure of the FCC to approve the license transfers, without any such payment. The Company has the right to terminate its agreement with the television purchaser upon the latter's failure or refusal to perform certain terms and conditions, in which event the television purchaser would forfeit $1,500,000 which it has deposited in escrow and additionally would be liable to pay the Company expenses not to exceed $350,000. If this were to occur, however, the Company would be unable to perform the Sales Agreement and would forfeit the $1,500,000 now held in escrow.

If and when the acquisition is consummated, it would be accounted for under the purchase method of accounting with results of operations included from the date of acquisition. See the Pro Forma Combined Statement of Income and Condensed Combined Balance Sheet and the Consolidated Financial Statements of Carter Publications, Incorporated.

PROPERTIES

The Company occupies executive offices at 24 East 51st Street in New York City under a lease expiring December 31, 1975.

The principal executive and editorial offices of Fairchild are located in New York City and are owned by the Company. All of Fairchild's offices in other cities are leased. All of the premises occupied by Belleville and Oakland Press are owned by the Company.

The Company owns all its broadcast transmitter sites except those of WPAT-FM and WJR-FM, which are under lease through December 31, 1979 and June 30, 1985, respectively. Studios and offices at Clifton (WPAT), Providence, Durham, Houston, Philadelphia and Los Angeles are owned and those in Albany, Buffalo, Detroit, Fresno and New Haven are leased (1). The Company leases additional office space in New York City for WPAT (2) and space for a sales office in Raleigh, N. C.

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(1) Such leases expire on June 30, 1976, December 31, 1981, June 30, 1985, January 31, 1975 and July 31, 1979, respectively.

(2) Lease expires April 30, 1980.

Television stations owned

Stations and locations	Channel	Expiration date of FCC authorization	Network affiliation	Expiration date of network affiliation
WPVI-TV, Philadelphia, Pennsylvania	6	Aug. 1, 1972(1)	ABC	Aug. 15, 1975
WKBW-TV, Buffalo, New York	7	June 1, 1975	ABC	July 2, 1974
KTRK-TV, Houston, Texas	13	Aug. 1, 1974	ABC	Apr. 2, 1975
WTNH-TV, New Haven, Connecticut	8	Apr. 1, 1975	ABC	Oct. 1, 1974
WTVD, Durham, North Carolina	11	Dec. 1, 1975	CBS	Sept. 11, 1975
KFSN-TV, Fresno, California	30	Dec. 1, 1974	CBS	Feb. 28, 1976

Radio stations owned

Stations and locations	Frequency AM-Kilohertz FM-Megahertz	Power AM-Watts FM-Kilowatts	Expiration date of FCC authorization	Network affiliation
KPOL, Los Angeles, California	1540 K	50,000 Day 10,000 Night	(2)	None
WJR, Detroit, Michigan	760 K	50,000	Oct. 1, 1976	CBS(3)
WPAT, Paterson, New Jersey (Metropolitan New York)	930 K	5,000	June 1, 1975	None
WKBW, Buffalo, New York	1520 K	50,000	June 1, 1975	None
WPRO, Providence, Rhode Island	630 K	5,000	Apr. 1, 1975	None
WROW, Albany, New York	590 K	5,000 Day 1,000 Night	(2)	CBS(4)
WPAT-FM, Paterson, New Jersey (Metropolitan New York)	93.1 M	12.6	June 1, 1975	None
WJR-FM, Detroit, Michigan	96.3 M	50	Oct. 1, 1976	None(5)
WPRO-FM, Providence, Rhode Island	92.3 M	15	Apr. 1, 1975	None
WROW-FM, Albany, New York	95.5 M	9.4	June 1, 1975	None(5)
KPOL-FM, Los Angeles, California	93.9 M	100	Dec. 1, 1974	None

(1) An organization known as Concerned Communicators filed petitions to deny the pending license renewal applications of this station, the other two commercial VHF television stations serving

Philadelphia, and several local radio stations. The petition against WPVI-TV alleges that the station has insufficiently ascertained the needs of the black community of Philadelphia, that its programming inadequately serves black needs and interests and that the station has discriminated against blacks in employment. In addition, an organization known as the Communications Coalition has filed a petition against all seven television stations serving Philadelphia (including WPVI-TV) and twenty-one area radio stations, alleging violations of FCC rules on equal employment opportunities. This petition seeks, among other things, the denial of pending license renewal applications and the revocation of existing licenses. It is not unusual for such challenges to delay final action on a renewal application for a considerable period of time. Existing licenses are automatically extended pending final FCC action.

(2) Regular renewal of these licenses has been delayed due to technical engineering problems which the Company is in the process of resolving.

(3) Affiliation agreement expires December 30, 1974.

(4) Affiliation agreement expires December 30, 1974.

(5) CBS policy is to permit an FM station to duplicate programming covered under agreement with an associated AM station.

MANAGEMENT

The directors and executive officers of the Company are as follows:

Name	Age	Director since	Title
Thomas S. Murphy*	48	1957	Chairman of the Board of Directors (Chief Executive Officer)
Daniel B. Burke	45	1967	President and Director (Chief Operating Officer)
Joseph P. Dougherty	49	1967	Executive Vice President, President of Broadcasting Division and Director
John B. Fairchild	46	1968	Executive Vice President, Chairman of the Board of Fairchild Publications, Inc. and Director
William Kopta	54		Vice President-Finance and Treasurer
Gerald Dickler*	61	1954	Secretary and Director
Robert W. Gelles	50		Controller, Assistant Secretary and Assistant Treasurer
Edgar W. B. Fairchild	68	1968	Director
J. Floyd Fletcher	59	1957	Director
William S. Lasdon	78	1957	Director
George G. Litzko*	68	1959	Director
John H. Muller, Jr.	49	1971	Director
Lowell Thomas	81	1954	Director

* Member of the Executive Committee.

Messrs. Murphy, Burke, Dougherty, John B. Fairchild and Gelles have all been actively associated with the Company for more than five years and such association has been their principal occupation. Mr. Kopta joined the Company in August, 1969 in his present capacity. Prior to joining the Company he was Vice President of Fawcett Publications, Inc. for a period in excess of five years. Mr. Muller has been with General Housewares Corp. for more than five years as Chairman and President. Mr. Dickler has been actively associated with the Company for more than five years and has concurrently been actively engaged in the practice of law as a partner in the law firm of Hall, Dickler & Howley, general counsel for the Company. All directors are elected annually.

Remuneration of Officers and Directors

The following information is furnished as to all direct remuneration paid by the Company during 1973 to the three highest paid officers and to all directors who received over $40,000:

Name of individual or identity of group	Capacities in which remuneration was received	Aggregate direct remuneration
Thomas S. Murphy	Chairman and Chief Executive Officer	$ 198,000
Daniel B. Burke	President and Chief Operating Officer	175,000
Joseph P. Dougherty	Executive Vice-President	150,500
John B. Fairchild	Executive Vice-President	90,358
All directors and officers as a group (54 in number, including those named above) (1)		3,115,535(2)

(1) Includes officers of subsidiaries of the Company.

(2) Exclusive of payments of $199,580 (on an accrual basis) to the law firm of Hall, Dickler & Howley, of which Mr. Gerald Dickler, Secretary and a Director of the Company, is a member.

Edgar W. B. Fairchild, former Chairman of the Board of Directors of Fairchild Publications, Inc., receives retirement benefits of $13,489 per annum under Fairchild's Employee Retirement Plan. In addition, under the terms of his employment contract, Mr. Fairchild (or his widow or his estate) receives $37,500 per annum until the end of February, 1986.

John B. Fairchild has an employment contract with Fairchild Publications, Inc. providing for his employment through 1978 at a salary of $90,000 per year and upon termination of his employment, for a period of 15 years thereafter, for payment to Mr. Fairchild or his widow or children of a sum equal to one-half of his salary at the rate in effect upon such termination. In addition, Mr. Fairchild is entitled to retirement benefits under Fairchild's Employee Retirement Benefit Plan, presently estimated at $30,041 per annum.

Under the Company's Employee Profit Sharing Plan adopted by the Board of Directors in December, 1968, the sums set forth below have been set aside for deferred payment to the following:

Name	1973 amount	Aggregate
Thomas S. Murphy	$ 21,132	$ 86,882
Daniel B. Burke	18,602	73,281
Joseph P. Dougherty	15,907	69,923
All directors and officers as a group (28 in number including the above)	211,291	780,431

PRINCIPAL HOLDERS OF SECURITIES

No officer, director or other person is known by the Company to own of record or beneficially more than 10 per cent of the outstanding Common Stock. At February 28, 1974, officers and directors of the Company, as a group, were known by the Company to beneficially own 693,697 shares (9.7%) of the outstanding Common Stock.

At February 28, 1974, the principal beneficial ownership of the 250,253 shares of Preferred Stock outstanding, convertible into Common at the rate of 2 for 1, was as follows: Edgar W. B. Fairchild, a director, 49,476 shares (19.8%); Elizabeth F. Martindale, 65,600 shares (26.1%) and directors and officers as a group, 64,986 shares (26.0%).

SELLING SHAREHOLDERS

The following table sets forth the names of Selling Shareholders, the number of shares of Common Stock of the Company owned beneficially by each Selling Shareholder as of the date of this Prospectus, the number of shares of Common Stock to be sold by each Selling Shareholder and the number of shares of Common Stock to be owned beneficially by each Selling Shareholder after the sale if all shares offered are sold:

Name of selling shareholder	Number of shares owned prior to sale	Number of shares to be sold	Number of shares to be owned after sale
George R. Andrick	500	500	—
Philip R. Beuth	10,400	2,500	7,900
David S. Branch	200	200	—
George R. Chamberlin	9,000	8,000	1,000
Lewis R. Click	350	300	50
Fredrick D. Custer	2,000	2,000	—
Joseph P. Dougherty	32,590	10,000	22,590
William O. Dwyer	2,600	2,600	—
Edgar W. B. Fairchild	44,000(1)	60,000	— (1)
John B. Fairchild	7,532(1)	5,000	2,532(1)
John B. Fairchild as Custodian for:			
Jill Fairchild	2,000(1)	1,000	1,000(1)
Stephen Louis Fairchild	2,000(1)	1,000	1,000(1)
James Burr Fairchild	1,800(1)	1,000	800(1)
Muriel M. Frank	100	100	—
Roy E. Fullen	1,405	250	1,155
Robert W. Gelles	2,000	2,000	—
G. Guy Giuffre, Jr.	50	50	—
Morton Gordon	125	125	—
Walter Hawver, Jr.	650	650	—
Emanuel Hoffman	100	100	—
Robert Joose	75	75	—
Elsie Kern	15,000	5,000	10,000
Fred Kern	52,800	6,000	46,800
Richard P. Kern	22,880	4,000	18,880

Name of selling shareholder	Number of shares owned prior to sale	Number of shares to be sold	Number of shares to be owned after sale
Robert Kern	15,000	5,000	10,000
Hal B. King	75	75	—
William Kopta	4,500	2,000	2,500
Ramon K. Krohn	18,500	5,000	13,500
Paul O. LaGasse	2,000	2,000	—
Elizabeth F. Martindale	13,600(1)	15,000	— (1)
Philip L. McGovern	200	200	—
Mary N. Michael	75	75	—
Peter C. Newell	9,000	3,000	6,000
William Orr	150	150	—
Gertrude F. Price	25	25	—
James H. Quello	1,100	1,100	—
Evelyn Salk	400	400	—
Lloyd M. Schwartz	50	50	—
Robertson C. Scott	6,000	6,000	—
Richard C. Shepard	4,702	2,000	2,702
John E. Shuff, Jr.	1,000	1,000	—
Joseph B. Somerset	16,450	6,250	10,200
United States Trust Company of New York as Trustee for benefit of:			
Edgar W. B. Fairchild	—	18,000	— (1)
Stephanie Anne Fairchild	3,000(1)	9,987	—
Suzanna Corroon Fairchild	3,000(1)	9,987	—
Samantha Stafford Fairchild	3,000(1)	9,987	—
Serena French Fairchild	3,000(1)	9,987	—
Charles W. Weaver	12,727	7,727	5,000
Irwin Weinstein	512	500	12
John W. West, Jr.	1,950	250	1,750
		228,200	

(1) The table below sets forth the number of shares of Preferred Stock held, and the number of shares of Preferred Stock, that will be converted, at the 2 to 1 rate, into Common Stock for registration and sale hereunder:

	Number of shares of Preferred Stock		
	owned prior to sale	to be converted	to be owned after sale
Edgar W. B. Fairchild	40,476	8,000	32,476
John B. Fairchild	15,035	—	15,035
John B. Fairchild as Custodian for:			
Jill Fairchild	2,177	—	2,177
Stephen Louis Fairchild	2,177	—	2,177
James Burr Fairchild	4,126	—	4,126
Elizabeth F. Martindale	65,600	700	64,900
United States Trust Company of New York as Trustee for:			
Edgar W. B. Fairchild	9,000	9,000	—
Stephanie Anne Fairchild	3,493.5	3,493.5	—
Suzanna Corroon Fairchild	3,493.5	3,493.5	—
Samantha Stafford Fairchild	3,493.5	3,493.5	—
Serena French Fairchild	3,493.5	3,493.5	—
	152,565.0	31,674.0	120,891

STOCK OPTION PLANS

As of February 28, 1974, there were outstanding, in connection with Stock Option Plans adopted by the Company, options covering an aggregate of 225,045 shares of Common Stock, expiring between July 31, 1974, and February 11, 1985, exercisable at purchase prices ranging from $21.38 per share to $61.50 per share, with an adjusted weighted average exercise price per share of $40.43. See "Proposed Modifications of Employee Stock Options" below as to pending changes relating to options granted prior to January 30, 1974.

As of February 28, 1974, options held by directors and officers of the Company to acquire Common Stock were as follows:

Name	Number of shares subject to option	Expiration dates from — to	Average exercise price per share(1)
Thomas S. Murphy	**30,500**	**9/22/74 — 4/ 9/84**	**$43.74**
Daniel B. Burke	**21,250**	**9/22/74 — 4/ 9/84**	**44.17**
Joseph P. Dougherty	**14,100**	**9/22/74 — 4/ 9/84**	**41.95**
John B. Fairchild	3,500	9/22/74	27.94
All directors and officers as a group (44 in number including those named above) (2)	176,850	7/31/74 — 2/11/85	40.33

(1) Subject to modification (See "Proposed Modifications of Employee Stock Options").

(2) Includes officers of subsidiaries of the Company.

The Company is registering hereby 25,000 shares of Common Stock issuable on exercise of options granted or to be granted under the Company's 1972 Employee Stock Option Plan as amended (the "1972 Plan") and 98,774 shares of Common Stock issuable on exercise of options which may be issued in replacement of options granted under the Company's Qualified Stock Option Plans. The Company has also previously registered 126,796 shares of Common Stock issuable on exercise of options granted under the Company's 1970 Qualified Stock Option Plan (the "1970 Plan") and the 1972 Plan as amended in 1973. A more detailed description of the Stock Option Plans follows:

Adoption of Stock Option Plans

The Board of Directors and shareholders of the Company adopted the Stock Option Plans as follows:

Title of plan	Date of adoption by Board of Directors	Date of adoption by shareholders
1965 Qualified Stock Option Plan	April 19, 1965	May 10, 1965
1967 Qualified Stock Option Plan	April 24, 1967	May 10, 1967
1968 Qualified Stock Option Plan	February 27, 1968	May 10, 1968
1970 Qualified Stock Option Plan	May 6, 1970	May 11, 1970
1972 Employee Stock Option Plan	January 17, 1972, amended March 28, 1973 and March 26, 1974	May 4, 1972, amended May 3, 1973 and further amendment to be acted on at Annual Meeting on May 1, 1974

Institution of the 1972 Plan was conditioned upon approval of the Federal Pay Board, acting in accordance with the Economic Stabilization Act (see "Business") and such approval was granted on June 9, 1972.

This Prospectus does not purport to contain a complete summary of all of the provisions of the 1965, 1967, 1968, 1970 and 1972 Plans and is qualified in its entirety by reference to each of such Plans, copies of which have been filed by the Company with the Securities and Exchange Commission.

Securities Subject to the Plan

The number of authorized but unissued shares of Common Stock reserved for issuance under the Stock Option Plans, the number of shares with respect to which options have been granted and remain unexercised, and the number of shares which remain available for grant, under each Plan are as follows:

Title of plan	Total shares reserved for issuance	Shares subject to options granted and not exercised as of February 28, 1974	Shares remaining available for grant of options
1965 Qualified Stock Option Plan	3,700	3,700	-0-
1967 Qualified Stock Option Plan	12,263	12,263	-0-
1968 Qualified Stock Option Plan	82,811	82,811	-0-
1970 Qualified Stock Option Plan	11,796	11,796	-0-
1972 Employee Stock Option Plan	140,000	114,475	25,525

Upon lapse of any option granted under any of the Qualified Plans, shares reserved for issuance pursuant to such option do not become available for additional option grants. Since the approval of the 1972 Plan, no further options may be granted under prior plans. Option agreements awarded under the Plans provide for adjustment in the number of shares deliverable upon exercise of the option and adjustment of the option price per share, if there is any change in the outstanding common stock of the Company by reason of a dividend, recapitalization, merger, consolidation, split-up, combination or exchange of shares or the like without payment of consideration.

Purpose of the Plans

The general purpose of the Stock Option Plans was and is to attract, retain and motivate executives and key employees of quality in competitive job markets, for the benefit of the Company, by providing such persons with a proprietary interest in the Company.

Eligibility and Participation in the Plans

Options available under the 1972 Plan may be granted solely to such officers and key employees of the Company, including subsidiaries, as the Board of Directors may designate. A director of the Company who is not also an officer or employee is not eligible to receive an option under the 1972 Plan. The Executive Committee of the Board of Directors, which currently administers the Plan, may determine in its discretion the number of shares which are the subject of an option granted to any individual, taking into account such factors as it deems relevant under the Plan, including limitations as to the maximum number of shares with respect to which options may be granted under the Plan and the ownership, with respect to a "qualified stock option" immediately after receiving such option, of more than five percent of the total combined voting power of securities of the Company or any subsidiary. There is no minimum number of shares which may be the subject of an option, under the Plan, for any eligible individual. Option agreements awarded under the Plan require the recipient to agree to remain in the employ of the Company or a subsidiary for at least one year from the date of grant, although such obligation does not restrict or limit the right of the Company to terminate the employment of the affected individual for any reason.

Types of Options

The 1965, 1967, 1968 and 1970 Plans provided solely for the grant of "qualified stock options" within the meaning of Section 422(b) of the Internal Revenue Code. The 1972 Plan provides for the grant of "qualified stock options" or options which are not qualified under Section 422(b) of the Internal Revenue Code ("non-qualified stock options") or both together which may be exercisable in the alternative ("tandem options"). The Internal Revenue Service has ruled that no part of a tandem option granted after January 2, 1973 will be considered to be qualified under Section 422(b) of the Internal Revenue Code (See "Federal Income Taxes" herein).

All options issued under the 1972 Plan provide that the Company may, in its sole discretion, guarantee repayment of loans granted by third parties to recipients of options to finance exercise thereof.

Federal Income Taxes

The Federal income tax consequences of qualified and non-qualified options differ. In general, a qualified option holder will not incur any Federal income tax at the time of exercise (except as discussed hereinafter) and will realize taxable long-term capital gain upon a subsequent sale of his shares three years or more after date of exercise at a price greater than the option price. No deduction will be allowable to the Company for Federal income tax purposes in connection with the grant or exercise of such option. On the other hand, a nonqualified option holder will realize taxable ordinary income at the time of exercise of his option in an amount equal to the excess of the fair market value of the shares acquired at the time of such exercise over the option price thereof, and such amount will be deductible by the Company for income tax purposes in the year of exercise (See "Proposed Modifications of Employee Stock Options" herein). The taxable ordinary income realized by the holder upon exercise of a nonqualified option will qualify as "earned income" and will generally be eligible for the maximum rate limitation of 50% as provided by the Tax Reform Act of 1969.

The Tax Reform Act of 1969 also made significant changes in the Internal Revenue Code provisions applicable to the taxation of capital gains so that the Federal tax rate can be as high as 35%. In addition, it introduced the new concept of a 10% tax on "items of tax preference" to the extent that they exceed certain credits; the spread between fair market value and the option price of stock at the time of exercise of a qualified stock option constitutes such an item of tax preference, as does one-half of an individual's net long-term capital gain in excess of his capital losses.

Exercise Price

The per share price payable on exercise of options granted under all the Plans shall not be less than 100% of the fair market value of the Common Stock at the time the option is granted. The fair market value has been deemed to be the mean of the high and low prices of Common Stock of the Company traded on the New York Stock Exchange on the day of the option was granted. (See "Proposed Modifications of Employee Stock Options" herein).

Term of Options

Each qualified stock option granted must be exercised within five years of the date of grant. (See "Proposed Modifications of Employee Stock Options" herein). Each option, whether qualified or non-qualified, is exercisable in cumulative annual increments of 25% of the number of shares covered by the option. Non-qualified stock options granted under the 1972 Plan may be exercised within 11 years from the date of grant and, accordingly, are exercisable in full for a period of seven years, commencing with the fourth anniversary of the date of grant.

A qualified option granted under the 1965, 1967, 1968 or 1970 Plans cannot be exercised more than three months from the date of (a) cessation of employment or (b) death of the employee while in the employ of the Corporation after being employed for at least one year from date of grant of the option.

Options granted under the 1972 Plan may be exercised within three months after cessation of employment for any reason, to the extent that the option holder was entitled to exercise such option at the date of cessation of employment.

Exercise of Options

No qualified stock option may be exercised while the optionee holds outstanding and unexercised a previously granted qualified stock option. Options are exercisable by giving 15 days written notice of exercise to the Company, specifying the number of shares to be purchased and accompanied by payment in full of the purchase price. As to options granted during 1972 under the 1972 Plan an option holder is required to specify at the time of exercise whether he is exercising the qualified stock option or the non-qualified stock option and to acknowledge a corresponding reduction, equal in an amount to the number of shares being acquired upon exercise, in the number of shares remaining available for purchase under the qualified and non-qualified stock options exercisable in the alternative.

Transferability of Options and Shares

No option may be transferred, assigned, pledged or hypothecated and no option is subject to execution, attachment or similar process. Options are exercisable during the lifetime of the employee solely by the employee, and are transferable only by will or the laws of descent and distribution.

Prior to November 14, 1972, shares acquired upon exercise of options were not registered under the Securities Act of 1933, as amended (the "Securities Act") and transfer of such shares was accordingly restricted pursuant to the investment intention of the option holder and the requirements of the Securities Act. On November 14, 1972, 86,796 shares, representing options under the 1970 and 1972 Plans, were effectively registered under the Securities Act. On August 14, 1973, an additional 40,000 shares, covering options under an amendment to the 1972 Plan, were effectively registered. Such shares if and when acquired, together with an additional 25,000 shares, if and when acquired upon exercise of options which may be issued under a proposed amendment to the 1972 Plan and 98,774 shares, if and when acquired upon exercise of options which may be issued in replacement of options previously granted under certain of the Company's Qualified Stock Option Plans, will be freely transferable under the Securities Act, subject to applicable requirements relating to matters other than registration.

Termination and Amendment of the Plans

The 1965, 1967, 1968 and 1970 Plans have been terminated as of the adoption of the 1972 Plan, no further options will be granted thereunder and all outstanding options remain in full force and effect in accordance with their terms. The 1972 Plan provides that it shall remain in effect until five years after the date of its adoption by the Board of Directors, unless sooner terminated by the Board.

Option agreements under the Qualified Plans provide that the Board of Directors has authority to correct any defect or supply any omission in the option and to provide reasonable rules and regulations relating to administration of the Plan. The 1972 Plan provides that the Board of Directors may amend or terminate the Plan, except that amendments having specified effects must be approved by shareholders. No amendment or termination may adversely affect rights under previously granted options without consent of the optionee. (See "Proposed Modifications of Employee Stock Options" hereunder)

Administration

Options under the Qualified Plans have been administered by the Board of Directors of the Company, generally though not exclusively, acting through its Executive Committee. The 1972 Plan provides for administration by the Executive Committee of the Board of Directors or by a Stock Option Committee appointed by the Board consisting of three persons, the majority of whom are ineligible for participation in the Plan. All decisions by the Committee shall be made by a majority thereof and shall be conclusive.

Proposed Modifications of Employee Stock Options

Qualified Stock Options. Each holder of a Qualified Stock Option will be permitted to rescind his option and have it replaced with a new Non-qualified stock option for the purchase of the same number of shares. The new option will permit the holder to acquire immediately the same number of shares that such holder would have been able to acquire at such time pursuant to the terms of the rescinded option. The option will contain essentially the same terms and provisions as the rescinded option except with respect to the term during which the option may be exercised and its exercise price.

Term. Instead of the five-year exercise period existing under the Qualified Stock Options, the new option will permit exercise until a date eleven years from the date of the grant of the original Qualified Stock Option.

Price. The exercise price of the new option will vary according to the exercise price of the rescinded Qualified Stock Option:

1. When the exercise price of the rescinded option is equal to or in excess of $28.75, the quoted market price of the Corporation's common stock on the New York Stock Exchange on January 30, 1974, being the date the Board of Directors adopted resolutions proposing changes to the options (hereinafter "Market Price"), the exercise price of the new option would be the higher of (a) the Market Price ($28.75) or (b) the quoted market price of the Corporation's common stock on the New York Stock Exchange on May 1, 1974, the date of the Annual Meeting of Shareholders (hereinafter "Meeting Date Market Price").

2. Where the exercise price of the rescinded option is lower than the Market Price ($28.75), the exercise price of the new option would be fixed at the Market Price of $28.75.

There are presently outstanding Qualified Stock Options to purchase an aggregate of 72,045 shares at an exercise price below $28.75 and to purchase an aggregate of 38,525 shares at an exercise price in excess of $28.75. All such Qualified Stock Options may be exercised at prices ranging from a low of $21.375 to a high of $47.375.

Approval of these changes by the shareholders will have the effect of converting all outstanding Qualified Stock Options into non-qualified options for Federal income tax purposes, whether or not a holder of a Qualified Stock Option agrees to rescind his present option and accept a replacement option. Shareholder approval would also result in the Corporation receiving a tax deduction for Federal income tax purposes upon exercise of the option equal to the excess of the fair market value of the shares acquired upon exercise over the option price. Correspondingly, the holder of the option will realize taxable ordinary income at the time of exercise in a like amount.

Non-Qualified or Tandem Stock Options. Each holder of a Non-Qualified or Tandem Stock Option granted prior to February 1, 1974 under the 1972 Employee Stock Option Plan, as amended in 1973, will be permitted to accept a modification of his option which will provide for a change in the exercise price and a cancellation of the qualified options granted as part of the Tandem Stock Options; however, since these qualified options are exercisable in the alternative with the non-qualified portion of the Tandem Stock Options, their surrender will not decrease the number of shares subject to option. Non-Qualified and Tandem Stock Options to purchase an aggregate of 103,475 shares are presently outstanding and exercisable at prices ranging from a low of $48.875 to a high of $61.50. The exercise price will be revised to be the greater of the Market Price ($28.75) or the Meeting Date Market Price, since all of these Non-Qualified Stock Options are presently exercisable at prices in excess of the Market Price. In all other respects, the options will remain the same. The Federal income tax treatment to the Corporation and to the option holder, upon exercise of the option, will not be affected by these changes. However, approval of these changes by the shareholders will have the effect of converting all qualified options granted as part of the Tandem Stock Options into non-qualified options for Federal income tax purposes, whether or not a holder of a Tandem Stock Option agrees to the changes.

The following table sets forth the effects of the proposed modifications on the exercise prices of existing Qualified Options, Tandem Options and Non-Qualified Options held by certain directors and officers and by all directors and officers as a group:

	Thomas S. Murphy	Daniel B. Burke	Joseph P. Dougherty	John B. Fairchild	All directors and officers as a group
Existing Qualified Options with option price under $28.75:					
Number of shares	9,000	6,000	5,500	3,500	57,225
Average per share option price	$27.94	$27.94	$27.94	$27.94	$27.45
Per share option price pursuant to proposed modifications of options	$28.75	$28.75	$28.75	$28.75	$28.75
Existing Qualified Options with option price over $28.75:					
Number of shares	—	—	—	—	32,825
Average per share option price	—	—	—	—	$37.51
Per share option price pursuant to proposed modifications of options*	—	—	—	—	—
Existing Tandem and Non-Qualified options:					
Number of shares	21,500	15,250	8,600	—	82,800
Average per share option price	$50.35	$50.55	$50.92	—	$50.84
Per share option price pursuant to proposed modifications of options*	—	—	—	—	—

* The option price to be established pursuant to the proposed modifications will be the higher of $28.75 or the quoted market price of the Company's stock on the New York Stock Exchange on May 1, 1974.

DESCRIPTION OF COMMON STOCK

The securities being registered hereby for sale by the Selling Shareholders and for issuance and delivery pursuant to the Stock Option Plans and option agreements, consist of the Common Stock of the Company.

The Company is authorized to issue 20,000,000 shares of Common Stock, par value $1.00 per share. Holders of Common Stock are entitled to receive such dividends as may be declared by the Board of Directors from time to time, subject to restrictions and limitations set forth in certain bank agreements described in the notes to the Company's financial statements and to preferential dividend rights of the holders of the Convertible Preferred Stock (the "Preferred Stock") of the Company who are entitled to receive cumulative annual dividends of $.50 per share, payable in quarterly instalments, out of funds legally available for declaration of dividends. In the event of liquidation, dissolution or winding up of the Company, the holders of Common Stock are entitled to share proportionately in the assets of the Company legally available for distribution after payment of all debts and liabilities to creditors and amounts that may be required to be paid to the holders of any Preferred Stock then outstanding. All shares of Common Stock have equal voting rights and each outstanding share entitles the holder thereof to one vote on all matters voted upon by stockholders, voting together with the holders of Preferred Stock and not as a separate class except as to election of directors. Voting is not cumulative, which means that the holders of more than 50% of the Common Stock in an election for directors will be able to elect all of the directors elected by holders of Common Stock, if they choose to do so and the holders of all remaining shares of Common Stock will not be able to elect any person or persons to the Board of Directors. The holders of Preferred Stock are entitled to participate in the election of directors solely by voting as a class to elect one director so long as at least 150,000 shares of Preferred Stock are outstanding. John B. Fairchild was elected as a director by the holders of Preferred Stock at the Company's 1973 annual meeting of stockholders (See "Management" herein). The holders of Common Stock have no preemptive, conversion or redemption rights. The outstanding shares of Common Stock, including the shares being registered hereunder by the Selling Shareholders and the shares of Common Stock issued or issuable pursuant to any of the Stock Option Plans or option agreements, are, or will be, as the case may be, duly issued, fully paid and non-assessable.

LEGAL OPINIONS

The validity of the shares being registered have been passed upon for the Company by Messrs. Hall, Dickler & Howley, 460 Park Avenue, New York, N. Y. 10022. Gerald Dickler, Esq., a member of the firm of Hall, Dickler & Howley is also a director and Secretary of the Company, and beneficially owns an aggregate of 52,120 shares of Common Stock of the Company.

EXPERTS

The consolidated financial statements and schedules of Capital Cities Communications, Inc. and Subsidiaries appearing in this Prospectus and Registration Statement have been examined by Arthur Young & Company, certified public accountants, as set forth in their reports appearing elsewhere herein, and are included in reliance upon such reports and upon the authority of such firm as experts.

The consolidated financial statements and schedules of Carter Publications, Incorporated and Subsidiaries appearing in this Prospectus and Registration Statement, have been examined by Ernst & Ernst, independent accountants, as set forth in their reports appearing elsewhere herein and in the Registration Statement, and are included in reliance upon such reports given upon the authority of such firm as experts in accounting and auditing.

ADDITIONAL INFORMATION

This Prospectus does not contain all of the information set forth in the Registration Statement and the exhibits and schedules relating thereto, which the Company has filed with the Securities and Exchange Commission, Washington, D. C. under the Securities Act and which is hereby incorporated by reference. Copies of the Registration Statement, exhibits and schedules are on file at the offices of the Securities and Exchange Commission in Washington, D. C. and may be obtained, at a reasonable charge, upon request to the Commission.

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REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Capital Cities Communications, Inc.

We have examined the accompanying consolidated balance sheet of Capital Cities Communications, Inc. and Subsidiaries at December 31, 1973 and 1972 and the related consolidated statements of income, stockholders' equity and changes in financial position for the five years ended December 31, 1973. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the statements mentioned above present fairly the consolidated financial position of Capital Cities Communication, Inc. and Subsidiaries at December 31, 1973 and 1972 and the consolidated results of operations and changes in financial position for the five years ended December 31, 1973, in conformity with generally accepted accounting principles applied on a consistent basis during the period.

ARTHUR YOUNG & COMPANY

New York, New York
February 28, 1974

REPORT OF INDEPENDENT ACCOUNTANTS

Board of Directors
Carter Publications, Incorporated
Fort Worth, Texas

We have examined the consolidated balance sheet of Carter Publications, Incorporated and Subsidiaries as of December 29, 1973, and the related consolidated statements of income, stockholders' equity, and changes in financial position for the three years then ended. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements identified above present fairly the consolidated financial position of Carter Publications, Incorporated and Subsidiaries at December 29, 1973, and the consolidated results of their operations, changes in stockholders' equity, and changes in financial position for the three years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

ERNST & ERNST

Fort Worth, Texas
February 8, 1974

CAPITAL CITIES COMMUNICATIONS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

(Thousands of Dollars)

	Year Ended December 31, 1973	1972	1971	1970	1969
Funds Provided					
From operations					
Income before extraordinary items	$20,146	$17,015	$ 13,129	$11,511	$11,383
Depreciation	2,842	2,750	2,945	2,300	2,268
Deferred income taxes	(24)	555	237	(17)	356
Other non-cash expense (income)	251	(153)	13	10	10
Total from operations	23,215	20,167	16,324	13,804	14,017
From extraordinary items					
Proceeds from sales of broadcast properties less current income taxes	—	—	32,032	791	—
Costs relating to discontinuance of in-house printing of Fairchild publications, net of tax benefit	—	—	—	(2,200)	—
Long-term portion of notes payable of $66,880 relating to acquisition of broadcast properties, less related notes receivable	—	—	57,900	—	—
Additional bank debt	—	—	—	—	16,000
Common stock issued under warrants	—	1,500	—	—	—
Common stock issued under stock options	173	2,861	911	1,155	1,303
Proceeds on disposals of property, plant and equipment	1,483	652	101	148	39
Increase in unearned subscription revenues	346	1,113	93	70	233
Reduction of non-current notes receivable	233	1,237	—	—	—
Decrease in film contract rights on a non-current basis, net of related liabilities	1,667	1,304	584	38	25
Other, net	94	313	322	(18)	(83)
Total	27,211	29,147	108,267	13,788	31,534
Funds Applied					
Purchase of publishing properties	—	1,300	—	—	16,000
Purchase of broadcast properties	—	—	94,844	3,979	—
Deposit and costs relating to proposed acquisition	1,136	—	—	—	—
Additions to property, plant and equipment	2,859	2,465	1,351	939	671
Payments on long-term debt	18,125	26,705	4,348	6,317	10,663
Increase (decrease) in debt payable on a current basis	(6,000)	(8,792)	5,308	(1,875)	1,234
Dividends	138	210	308	221	256
Total	16,258	21,888	106,159	9,581	28,824
Increase in Working Capital	$10,953	$ 7,259	$ 2,108	$ 4,207	$ 2,710
Working Capital Changes — increase (decrease)					
Cash and short-term investments	$ 7,133	$(6,221)	$ 20,972	$ 2,963	$ 3,802
Accounts and notes receivable	(176)	3,463	5,884	547	1,525
Other current assets	493	423	4,800	(28)	378
Taxes on income	(1,276)	2,594	(5,467)	(167)	(180)
Notes payable	6,000	8,792	(20,725)	1,875	(1,477)
Other current liabilities	(1,221)	(1,792)	(3,356)	(983)	(1,338)
Increase in Working Capital	$10,953	$ 7,259	$ 2,108	$ 4,207	$ 2,710

See accompanying notes.

CAPITAL CITIES COMMUNICATIONS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET
(Thousands of Dollars)

ASSETS

	December 31, 1973	December 31, 1972
Current Assets		
Cash	$ 2,235	$ 4,760
Short-term cash investments	33,622	23,964
Accounts and notes receivable (less allowance for doubtful accounts of $1,147 in 1973 and $922 in 1972)	21,494	21,670
Film contract rights	5,475	4,766
Prepaid expenses	2,887	3,103
Total current assets	65,713	58,263
Property, Plant and Equipment, at cost		
Land and land improvements	6,428	6,645
Buildings	14,620	14,445
Broadcasting, printing and other equipment	30,859	30,466
	51,907	51,556
Less accumulated depreciation	23,468	21,463
Property, plant and equipment, net	28,439	30,093
Intangible Assets	129,041	129,034
Notes Receivable	8,950	9,183
Film Contract Rights	3,655	5,335
Deposit and Costs Relating to Proposed Acquisition	1,136	—
Investments and Other Assets, at cost	931	952
	$237,865	$232,860

LIABILITIES AND STOCKHOLDERS' EQUITY

	1973	1972
Current Liabilities		
Accounts payable	$ 2,817	$ 2,782
Accrued compensation	2,636	2,433
Accrued expenses	4,647	3,931
Film contracts	3,914	3,647
Taxes on income	8,546	7,270
Notes payable due within one year	10,125	16,125
Total current liabilities	32,685	36,188
Deferred Compensation	800	763
Deferred Income Taxes	7,376	7,400
Unearned Subscription Revenue	4,090	3,743
Film Contracts	4,166	4,179
Notes Payable due after one year	46,842	58,967
Total liabilities	95,959	111,240
Stockholders' Equity		
Convertible preferred stock, $1 par value	259	302
Common Stock, $1 par value	7,164	7,074
Additional paid-in capital	8,460	8,229
Retained earnings	126,023	106,015
Total stockholders' equity	141,906	121,620
	$237,865	$232,860

See accompanying notes.

CAPITAL CITIES COMMUNICATIONS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

(Thousands of Dollars)

Five Years Ended December 31, 1973

	Preferred Stock	Common Stock	Add'l Paid-in Capital	Retained Earnings	Total
Balance at January 1, 1969	$ 554	$ 2,874	$ 4,079	$ 35,745	$ 43,252
Net income for 1969	—	—	—	11,383	11,383
2 for 1 stock split to stockholders of record May 14, 1969	—	2,874	(2,874)	—	—
142,214 shares of common stock issued on exercise of employee stock options	—	142	1,161	—	1,303
170,918 shares of common stock issued on conversion of preferred stock	(85)	171	(86)	—	—
Cash dividends on preferred stock	—	—	—	(257)	(257)
Balance at December 31, 1969	469	6,061	2,280	46,871	55,681
Net income for 1970	—	—	—	9,475	9,475
86,186 shares of common stock issued on exercise of employee stock options	—	86	1,069	—	1,155
88,504 shares of common stock issued on conversion of preferred stock	(45)	89	(44)	—	—
Cash dividends on preferred stock	—	—	—	(221)	(221)
Balance at December 31, 1970	424	6,236	3,305	56,125	66,090
128,000 shares of common stock issued in exchange for all the stock of Belleville on merger	—	128	(48)	2,097	2,177
Balance at December 31, 1970, as restated	424	6,364	3,257	58,222	68,267
Net income for 1971	—	—	—	31,297	31,297
49,312 shares of common stock issued on exercise of employee stock options	—	49	862	—	911
160,482 shares of common stock issued on conversion of preferred stock	(80)	161	(81)	—	—
Cash dividends					
Preferred stock	—	—	—	(185)	(185)
Belleville, prior to merger	—	—	—	(124)	(124)
Balance at December 31, 1971	344	6,574	4,038	89,210	100,166
Net income for 1972	—	—	—	17,015	17,015
115,604 shares of common stock issued on exercise of employee stock options	—	116	2,745	—	2,861
300,000 shares of common stock issued on exercise of warrants	—	300	1,200	—	1,500
84,934 shares of common stock issued on conversion of preferred stock	(42)	84	(42)	—	—
Tax benefit on early disposition of option shares by employees	—	—	288	—	288
Cash dividends					
Preferred stock	—	—	—	(162)	(162)
Belleville, prior to merger	—	—	—	(48)	(48)
Balance at December 31, 1972	302	7,074	8,229	106,015	121,620
Net income for 1973	—	—	—	20,146	20,146
4,284 shares of common stock issued on exercise of employee stock options	—	4	168	—	172
85,766 shares of common stock issued on conversion of preferred stock	(43)	86	(43)	—	—
Tax benefit on early disposition of option shares by employees	—	—	106	—	106
Cash dividends on preferred stock	—	—	—	(138)	(138)
Balance at December 31, 1973	$ 259	$ 7,164	$ 8,460	$126,023	$141,906

See accompanying notes.

CAPITAL CITIES COMMUNICATIONS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Accounting Policies

Principles of Consolidation. — The consolidated financial statements include the accounts of all subsidiaries. Belleville News-Democrat, Inc. was acquired on June 7, 1972 in exchange for 128,000 shares of the Company's common stock. The transaction has been accounted for as a pooling of interests.

Property, Plant and Equipment-Depreciation — Depreciation has generally been computed on the straight-line method for financial accounting purposes and on accelerated methods (declining balance of 150% and 200% of straight-line rates) for tax purposes. Appropriate deferred income taxes have been provided. Estimated useful lives are as follows:

	Years
Land improvements	5–20
Buildings	10–50
Broadcasting equipment	4–20
Printing machinery and equipment	5–20
Program tapes, records and instruments	10
Furniture and fixtures	8–20
Automotive equipment	3–5

Leaseholds and improvements are amortized over the terms of the leases. Maintenance and repairs are charged to income as incurred and expenditures for renewals and betterments are capitalized.

The cost of property retired or otherwise disposed of and the accumulated depreciation thereon are eliminated from the property and related accumulated depreciation accounts; the resulting gain or loss is credited or charged to income.

Intangible Assets — Intangible assets consist of amounts by which the cost of acquisitions, primarily of broadcast properties, exceeded the values assigned to net tangible assets. Intangible assets, except for approximately $1,300,000 related to a 1972 acquisition, are not being amortized. In the opinion of management there has been no diminution of value of the related properties.

Film Contract Rights — The Company's film contract rights and the related liabilities are recorded at full contract prices when purchased. The costs are charged to income on bases related to the terms of the contracts or the usage of the films. Payments on film contracts are due in varying amounts through 1979.

Unearned Subscription Revenue — Subscription revenue is recorded as earned over the life of the subscriptions. Costs in connection with the procurement of subscriptions are charged to expense as incurred.

Investment Tax Credit — The investment tax credit is taken into income currently as a reduction of the provision for income taxes.

2. Acquisitions, Sales and Proposed Acquisition

On April 27, 1971, pursuant to an agreement dated February 13, 1970, operating assets of television stations WPVI-TV, Philadelphia, Pennsylvania; WTNH-TV, New Haven, Connecticut; and KFSN-TV, Fresno, California were purchased from Triangle Publications, Inc. Consideration of $110,000,000 plus approximately $8,500,000 for various adjustments, including assumption of liabilities, was paid for the television stations, certain other broadcasting properties and six radio stations. The radio stations were simultaneously resold for amounts totaling $14,455,000. Concurrently with this transaction, assets related to television stations WTEN, Albany, New York and WSAZ-TV, Huntington, West Virginia were sold for $37,000,000 cash. The consolidated statement of income includes operations of the properties for their respective periods of ownership. On the basis of unaudited statements of the properties purchased and sold, adjusted to give effect to acquisition adjustments, it is estimated that, had such purchase and sales occurred on January 1, 1971, the Company's pro forma net revenues, income and income per share before extraordinary gain for the year 1971 would have been $103,800,000, $13,300,000 and $1.83 per share ($1.74 fully diluted), respectively.

On January 6, 1973, the Company and an unrelated broadcasting company entered into an agreement, amended on February 25, 1974, to acquire all of the outstanding capital stock of Carter Publications, Inc. for an aggregate consideration of $110,500,000, including $35,000,000 to be paid by the other broadcasting company for shares specifically related to certain television properties. The Company is to pay $16,391,300 in cash and issue notes for $59,108,700, with interest at 6%, payable in specified quarterly instalments over a five year period beginning one year after the closing. The Company has deposited $1,500,000 in escrow (including $500,000 deposited in 1974) and has obtained a commitment from various banks to issue letters of credit at the closing to guarantee payment of the notes to be issued to the sellers. The Company has agreed to guaranty the payment of certain subordinated convertible notes of the television purchaser which are to be acquired at the closing by the Employees Pension Trust of Carter Publications, Inc., to the extent of $1,255,000 of principal, together with interest thereon at 8%. At the closing, the Company will repay the television purchaser the sum of $1,020,625 heretofore received from the television purchaser, representing the 1974 annual instalment due to the Company from the television purchaser in payment of certain promissory notes, issued in connection with a previous unrelated transaction, aggregating $6,123,750 and will agree to defer to January 5, 1979 the collection of $5,103,125 of the aggregate principal of such notes, which are currently due and payable in annual instalments of $1,020,625. Assets to be acquired by the Company include the *Fort Worth Star-Telegram*, a daily newspaper with morning, evening and Sunday editions; a 50,000 watt, AM radio station and an FM radio station, both licensed to Fort Worth; and an 80% interest in the Arlington, Texas, *Citizen-Journal*, a suburban newspaper published three times weekly. The agreement may be terminated by action of either the Company or the television purchaser without substantial penalty. The entire transaction is contingent on approval by the Federal Communications Commission of license transfers of the radio stations to the Company and the television station to the other broadcaster.

If and when the acquisition is consummated, it would be accounted for under the purchase method of accounting with results of operations included from the date of acquisition. See unaudited Pro Forma Combined Statement of Income and related notes of Capital Cities and Carter elsewhere in this Prospectus.

3. Employees' Profit-Sharing and Pension Plans

The Company has a qualified profit-sharing plan for all eligible employees. The plan provides for contributions by the Company in such amounts as the Board of Directors may annually determine. Such contributions charged to expense for the years ended December 31, 1973, 1972, 1971, 1970 and 1969 were $945,780, $938,896, $556,029, $466,000 and $601,618, respectively. Certain subsidiaries of the Company have pension plans covering substantially all of their employees. In connection with these plans, contributions of $24,660, $299,182, $219,770, $20,000 and $2,200 were charged to expense in 1973, 1972, 1971, 1970 and 1969, respectively. The market value of the pension funds is in excess of the actuarially computed value of vested benefits.

4. Income Taxes

During 1972, the Federal Communications Commission issued a tax certificate to the Company on the sale of television station WTEN, Albany, New York, resulting in the deferral of approximately $1,025,000 of taxes over the lives of depreciable replacement assets and deferring taxes of approximately $5,125,000 until disposition of the replacement television station. The certificate was issued pursuant to Section 1071 of the Internal Revenue Code in recognition of the effectuation of certain Commission rules. Deferred income taxes result primarily from this and from the excess of tax over financial accounting depreciation (See Note 1). The Company's effective Federal income tax rates (Federal income tax expense divided by income before income taxes and extraordinary items less state and local income taxes) were 47.1%, 47.5% and 47.8%, respectively, for the years ended December 31, 1973, 1972 and 1971.

5. Notes Payable

The notes payable aggregating $56,966,654, relate to the purchase of broadcasting properties which are pledged as collateral thereto and bear interest at prime rate (9¾% at year end) or 5%, whichever is higher. The notes are payable in equal annual instalments of $10,125,000 each January 5 with a final instalment of $6,341,654 on January 5, 1979.

In connection with the proposed acquisition of Carter Publications, Inc., the Company has entered into a commitment agreement with banks which requires among other things, that the Company maintain current assets equal to current liabilities, maintain certain cash to debt and equity to debt ratios, restrict the incurrence of additional long-term debt and limit the payment of dividends to one-third of consolidated income before extraordinary gains accrued subsequent to December 31, 1972. At December 31, 1973 retained earnings of $6,578,000 were not restricted as to dividends. Broadcasting and publishing properties in addition to those to be acquired would be pledged at the closing in connection with the proposed Carter purchase.

6. Capital Stock

Authorized capital stock at December 31, 1973 consisted of 20,000,000 shares of $1 par value common and 600,000 shares of $1 par value preferred. The preferred is entitled to cumulative dividends at an annual rate of 50¢ and each share is convertible into two shares of common stock at any time. Holders of the preferred vote share for share with the common as to all matters other than the election of directors, as to which, voting as a class, they shall, so long as 150,000 or more of the preferred shares are outstanding, be entitled to elect one director. Upon liquidation, holders of the preferred shall be entitled to receive $60 per share plus accrued dividends, before any distribution to holders of common. Subject to prior conversion, the Company may at any time after May 15, 1975, redeem shares of the preferred at its option at the redemption price of $60 per share plus accrued dividends.

7. Stock Options

Options outstanding at December 31, 1971 were issued pursuant to qualified stock option plans adopted in 1965, 1967, 1968 and 1970, and gave certain key personnel the right to purchase shares of common stock over a five year period from the date of grant at prices equal to market value on the grant date. Each option is cumulatively exercisable as to 25% of the total shares represented thereby for each of the first four years after grant, provided that the individual remains in the employ of the Company.

The 1972 stock option plan, as amended in 1973, authorizes the granting of options to purchase an aggregate of 115,000 shares, which options may be "qualified" within the meaning of Section 422(b) of the Internal Revenue Code with terms as described above, eleven year options which are not qualified options, or both. The 45,000 options granted under this plan during 1972 were both qualified and non-qualified and provided that either could be exercised, but not both. The exercise of one option would cancel the right to exercise the other. The 59,000 options granted during 1973 were non-qualified.

The following information pertains to the Company's stock option plans:

		Options granted			Market value at date of grant and when exercised(a)	
	Shares available for grant	Option price — Per share	Option price — In total	Number of shares	Per share	In total
Balance January 1, 1971	5[illegible],916	$11.75 to $41.25	$7,267,853	283,682(b)	$11.75 to $41.25	$7,267,853
Granted	(26,050)	$33.00 to $47.38		26,050		
Cancelled	12,350	$22.75 to $37.56		(12,350)		
Exercised	—	$11.75 to $37.46	911,178	(49,312)	$31.50 to $48.50	2,199,718
Balance December 31, 1971	38,216	$21.38 to $47.38	7,079,047	248,070(b)	$21.38 to $47.38	7,079,047
Authorized	75,000			—		
Granted	(45,000)	$53.75 to $61.50		45,000		
Cancelled	(38,216)(c)	$27.94 to $37.56		(3,650)		
Exercised	—	$21.38 to $41.25	2,860,757	(115,604)	$50.50 to $63.88	6,740,046
Balance December 31, 1972	30,000	$21.38 to $61.50	6,561,715	173,816(b)	$21.38 to $61.50	6,561,715
Authorized	40,000			—		
Granted	(59,000)	$48.88 to $49.38		59,000		
Cancelled	250	$27.94 to $53.75		(13,687)		
Exercised	—	$27.94 to $47.38	142,120	(4,284)	$37.81 to $61.81	195,710
Balance December 31, 1973	11,250	$21.38 to $61.50	8,794,246	214,845(b)	$21.38 to $61.50	8,794,246

(a) The proceeds received by the Company from exercise of options are credited directly to stockholders' equity. No charges are made against income in accounting for the options.

(b) At December 31, 1973, 1972 and 1971, options were exercisable for 105,158, 79,403 and 157,770 shares respectively. Stockholder approval is being requested for modification of all presently outstanding options at December 31, 1973. See "Stock Option Plans", elsewhere in this Prospectus.

(c) On approval of the "1972 Employee Stock Option Plan" by the stockholders, ungranted options relating to prior existing stock option plans were cancelled and are no longer available for grant.

(d) Information as to options which became exercisable was as follows:

	Number of shares	Option price — Per share	Option price — In total	Market value at date options became exercisable — Per share	Market value at date options became exercisable — In total
Year ended December 31,					
1971	61,293	$21.38 to $41.25	$1,645,665	$33.00 to $49.31	$2,896,472
1972	38,942	$21.38 to $47.38	$1,382,759	$50.00 to $63.38	$2,231,345
1973	43,386	$21.38 to $61.50	$1,606,753	$30.50 to $60.44	$1,951,878

10. Supplementary Income Statement Information

	1973	1972	1971
	Year ended December 31 (Thousands of Dollars)		
Maintenance and repairs	$ 842	$ 857	$ 669
Depreciation of property, plant and equipment	2,842	2,750	2,945
Amortization of intangible assets	33	33	—
Taxes other than income taxes:			
Payroll taxes	1,590	1,304	996
Real estate and other local taxes	843	896	809
Rents	653	591	647
Royalties	1,513	1,492	1,211
Advertising costs	659	766	644

CARTER PUBLICATIONS, INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

For the Three Years Ended December 29, 1973

	Fiscal Year 1973	1972	1971
Funds Provided			
Income before extraordinary items	$ 5,733,021	$ 5,326,901	$ 4,140,250
Expenses which did not affect working capital in the current period:			
Depreciation	1,450,875	1,402,686	1,392,982
Deferred income taxes	142,174	183,123	187,320
Total from operations, excluding extraordinary items	7,326,070	6,912,710	5,720,552
Extraordinary items, less deferred income taxes	—	626,147	—
Total From Operations	7,326,070	7,538,857	5,720,552
Decrease (increase) in other assets	88,079	(31,310)	11,665
Total Funds Provided	7,414,149	7,507,547	5,732,217
Funds Used			
Additions to property, plant, and equipment	1,387,160	1,348,950	2,295,974
Less retirements and disposals	107,375	742,699	58,338
	1,279,785	606,251	2,237,636
Cash dividends	1,612,020	1,248,000	1,200,000
Purchase of corporate stocks	128,208	288,800	—
Repayment of long-term debt	750,000	—	32,068
Total Funds Used	3,770,013	2,143,051	3,469,704
Increase In Working Capital	$ 3,644,136	$ 5,364,496	$ 2,262,513
Changes In Components of Working Capital			
Increase (decrease) in current assets:			
Cash and short-term cash investments	$ 3,658,052	$ 5,159,419	$ 1,123,909
Accounts receivable	548,097	482,034	239,030
Inventories	77,389	(315,761)	317,148
Film contract rights and other current assets	(10,703)	(197,879)	325,194
	4,272,835	5,127,813	2,005,281
Increase (decrease) in current liabilities:			
Notes payable	—	(599,740)	(1,040,120)
Accounts payable	137,935	(144,410)	476,211
Accrued expenses	76,264	(48,977)	(6,122)
Taxes on income	260,845	390,755	(25,568)
Life and annuity policy reserves	131,007	22,699	125,058
Dividends payable	26,580	12,000	300,000
Employee compensation and other current liabilities	(3,932)	130,990	(86,691)
	628,699	(236,683)	(257,232)
Increase In Working Capital	$ 3,644,136	$ 5,364,496	$ 2,262,513

See notes to consolidated financial statements.

CARTER PUBLICATIONS, INCORPORATED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

December 29, 1973

ASSETS

Current Assets		
Cash		$ 1,127,503
Short-term cash investments, including certificates of deposit of $8,210,000 — at cost (approximates market)		11,368,671
Accounts receivable, less allowance for doubtful accounts of $79,224		4,980,575
Inventories — at cost (first-in, first-out method):		
Newsprint	$ 980,491	
Metal, ink, etc.	201,232	1,181,723
Film contract rights		304,583
Prepaid expenses		119,385
Total Current Assets		19,082,440
Property, Plant, and Equipment — on the basis of cost — Note D		
Land	875,435	
Buildings	10,986,521	
Broadcast, printing, and other equipment	17,112,320	
	28,974,276	
Less accumulated depreciation	13,251,487	15,722,789
Investments and Other Assets		
Corporate stocks — at cost (approximate market $8,900,000 — Note G)	3,063,698	
Radio license rights — Note C	3,500,000	
Other	315,580	6,879,278
		$41,684,507

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities		
Accounts payable		$ 1,721,554
Accrued expenses		266,440
Employee compensation		966,327
Taxes on income		1,415,953
Life and annuity policy reserves		597,018
Dividends payable		338,580
Total Current Liabilities		5,305,872
Deferred Income Taxes — Note E		1,465,068
Stockholders' Equity		
Common Stock, par value $100 a share:		
Authorized and outstanding 200,000 shares	$20,000,000	
Retained earnings	14,913,567	34,913,567
Commitment and Contingent Liabilities — Notes I and J		
		$41,684,507

See notes to consolidated financial statements.

CARTER PUBLICATIONS, INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

For the Three Years Ended December 29, 1973

	Common Stock	Retained Earnings	Total
Balance at January 2, 1971	$15,000,000	$ 8,034,918	$23,034,918
Net income	—	4,140,250	4,140,250
Cash dividends	—	(1,200,000)	(1,200,000)
Balance at January 1, 1972	15,000,000	10,975,168	25,975,168
Net income	—	6,065,398	6,065,398
Cash dividends	—	(1,248,000)	(1,248,000)
Stock dividend (50,000 shares)	5,000,000	(5,000,000)	—
Balance at December 30, 1972	20,000,000	10,792,566	30,792,566
Net income	—	5,733,021	5,733,021
Cash dividends	—	(1,612,020)	(1,612,020)
Balance at December 29, 1973	$20,000,000	$14,913,567	$34,913,567

See notes to consolidated financial statements.

CARTER PUBLICATIONS, INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Three Years Ended December 29, 1973

Note A — Proposed Sale of Business

On January 6, 1973, the stockholders of Carter Publications, Incorporated agreed to sell their stock to Capital Cities Communications, Inc. ("Capital Cities"). An unrelated broadcasting company is participating in the acquisition of the stock of Carter and will receive for its portion of the stock the business of WBAP-TV — Television Broadcasting Division, including the broadcasting license and certain operating assets associated with the Division. Consummation of the transaction is subject to various conditions, including FCC approval.

Note B — Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries. Significant intercompany accounts and transactions have been eliminated. One of the subsidiaries is a life insurance company whose primary operations consist of insuring the Parent Company's employees under group life policies and providing annuity contracts for the Company's pension plan. The assets of the life insurance subsidiary consist primarily of short-term cash investments of $1,051,032 and the primary liability of the subsidiary is life and annuity policy reserves of $597,018. Substantially all of the life insurance is reinsured.

Note C — Radio License Rights

In 1970, the Company acquired the remaining rights and interests in the broadcast frequency assigned to WBAP-AM. In the opinion of management, the rights have not diminished in value, and no amortization has been taken.

Note D — Property, Plant and Equipment

Depreciation provisions have been computed principally using the straight-line method based on estimated useful lives as follows:

Buildings	40-45 years
Broadcast, printing, and other equipment	3-20 years

Maintenance and repairs are charged to expense; betterments and major renewals are capitalized. Upon retirement or replacement, the cost of capitalized assets and the related allowances for depreciation are eliminated with the resulting gain or loss being reflected in operations.

Note E — Federal Income Taxes

Included in income tax applicable to operations to be acquired by Capital Cities is deferred income tax expense which results from the use of the following:

	1973	1972	1971
Accelerated depreciation for tax purposes	$264,765	$193,550	$176,391
Estimated provision for settlement of litigation	(39,000)	—	—
Other items	(28,304)	—	16,321
	$197,461	$193,550	$192,712

The reasons for the difference between income tax expense and the amount computed by applying the statutory federal income tax rate of 48% to income before income taxes are as follows:

	1973	1972	1971
Income tax at 48% of pre-tax income of operations to be acquired by Capital Cities	$3,608,217	$3,383,168	$2,555,608
Less:			
Investment tax credit (flow-through method)	(64,476)	(38,893)	(70,079)
Benefit from partial exemption on dividends received	(80,935)	(79,904)	(73,055)
Other items	(52,385)	(40,594)	138
	$3,410,421	$3,223,777	$2,412,612

Note F — Inventories

Inventories used in the computation of operating costs were as follows: December 29, 1973 — $1,181,723; December 30, 1972 — $1,104,334; January 1, 1972 — $1,420,095; January 2, 1971 — $1,102,947.

Note G — Corporate Stocks

Investment in corporate stocks includes shares of Southland Paper Mills, Inc. with a quoted market value of approximately $6,160,000 (cost — $1,752,133). The Company's shares, however, are unregistered and are subject to voting restriction.

Note H — Employees' Pension and Bonus Plans

The pension plans cover substantially all employees of the Parent Company and one subsidiary with five years of service. The total pension expense for the plans was $336,000 in 1973, $534,053 in 1972, and $334,409 in 1971, of which $289,350, $454,053, and $282,409, respectively, was applicable to the operations to be acquired by Capital Cities. The total expense for 1972 included an additional $150,000 to partially fund prior service cost. The pension fund exceeds the actuarially computed value of vested benefits. As of the most recent valuation date, the unfunded prior service cost amounted to $1,779,000. The Parent Company also has a bonus plan for key employees which is based on profits. The expense for such plan applicable to the operations to be acquired by Capital Cities was $120,355 in 1973, $86,525 in 1972, and $86,782 in 1971.

Note I — Contingent Liabilities and Commitments

The Company has sold, to its employee pension trusts, a note receivable with recourse which it received from the sale of its cable television subsidiaries in February 1972. The note is collateralized by the property, plant and equipment of the cable companies. The balance of the note at December 29, 1973 was $1,271,000.

A note for $128,000 payable to a bank by the Company's pension plan consultant has been guaranteed by the Company.

Under a special provision of the federal income tax law, the life insurance subsidiary has not paid or accrued taxes on certain income which under some circumstances might become taxable in later periods. This contingent liability was approximately $92,000 at December 29, 1973.

Total rent expense is less than one percent of total revenues. Rental expense and future lease commitments are not material.

Note J — Supplementary Income Statement Information

The following amounts have been charged to expenses of operations to be acquired by Capital Cities:

	1973	1972	1971
Maintenance and repairs	$325,198	$326,471	$328,428
Depreciation	965,669	910,391	868,272
Taxes, other than income taxes:			
Payroll	592,403	447,002	385,017
Other	246,082	223,112	191,788
Advertising costs	528,302	482,106	501,108

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 22. Marketing Arrangements.

Each Selling Shareholder has executed and filed or will execute and file with the Commission an undertaking with respect to marketing arrangements, a copy of which is filed as Exhibit 1 to this Registration Statement, which exhibit is hereby incorporated by reference in its entirety.

Item 23. Other Expenses of Issuance and Distribution.

Item	Amount*
Registration fee	$ 1,326
Legal fees and expenses	7,500
Printing cost	20,000
Accounting fees	3,000
Transfer agent's fees and expenses	1,500
Miscellaneous expenses	1,674
Total	$35,000

* All amounts except for the registration fee are estimates.

None of the expenses described above, except for employment of independent special counsel by any one or more Selling Shareholders, with respect to which no estimate is included, will be borne by Selling Shareholders.

Item 24. Relationship of Registrant with Experts Named in the Registration Statement.

"Management" contained in the Prospectus filed as a part of this Registration Statement is hereby incorporated by reference with respect to the relationship between Hall, Dicker & Howley and the Company.

Item 25. Sales to Special Parties.

In each of the last five years, the Company has issued shares of Common Stock on exercise of employee stock options, as to which information is given in quarterly reports filed with the Commission and is hereby incorporated by reference.

Item 26. Recent Sales of Registrant's Securities.

On June 7, 1972, 128,000 shares of Common Stock were issued by the Company to the shareholders of Belleville News-Democrat, Inc., pursuant to an agreement of reorganization in which Belleville News-Democrat, Inc., an Illinois corporation was merged into a wholly owned subsidiary of the Company, Belleville News-Democrat, Inc., a New York corporation. There were no underwriters in connection with the issuance of shares to the shareholders of Belleville News-Democrat, Inc. Such shares were not registered under the Securities Act of 1933, as amended (the "Act") in reliance upon the exemption afforded by Section 4(2) of the Act for transactions by an issuer not involving any public offering.

Item 27. Subsidiaries of Registrant.

Subsidiaries 100% owned by the Registrant:

Fairchild Publications, Inc.	New York
Oakland Press Company	Michigan
Belleville News-Democrat, Inc.	New York

Item 28. Franchises and Concessions.

"Business" contained in the Prospectus is hereby incorporated by reference with respect to licenses issued by the Federal Communications Commission to the Company to authorize the conduct of radio and television broadcast operations.

Item 29. Indemnification of Officers and Directors.

No provision is made for the indemnification of directors or officers of the Company in its certificate of incorporation or bylaws or any contracts or policies of insurance. However, the Business Corporation Law of the State of New York does provide generally for indemnification against judgments, fines, amounts paid in settlement and reasonable expenses where the director or officer was acting on behalf of the Company, in its best interests, and had no reasonable cause to believe that his conduct was unlawful.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

Item 30. Treatment of Proceeds from the Stock Being Registered.

Not applicable.

Item 31. Financial Statements and Exhibits.

(a) Index to Financial Statements and Schedules

Included in the Prospectus.

See "Index to Financial Statements" in the Prospectus.

Not included in the Prospectus.

Capital Cities Communications, Inc. and Subsidiaries.

Report of certified public accountants.

Schedules V, VI, VII and XII for the three years ended December 31, 1973.

All other schedules have been omitted since information is not present or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements, including the notes thereto.

Financial statements and schedules of Capital Cities Communications, Inc. (not consolidated) are omitted since the Company is primarily an operating company, and all subsidiaries included in the consolidated financial statements are totally-held subsidiaries.

Carter Publications, Incorporated and Subsidiaries.

Report of independent accountants.

Schedules I and XIII at December 29, 1973.

Schedules II, V, VI, VII and XII for the three years ended December 29, 1973.

All other schedules have been omitted since information is not present or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the consolidated financial statements, including the notes thereto.

Financial statements and schedules of Carter Publications, Incorporated (not consolidated) are omitted since the Company's total assets, exclusive of investments in and advances to its subsidiaries, constitute 85% or more of the total assets shown by the consolidated balance sheet filed and the Company's total gross revenues for the three years ended December 29, 1973, exclusive of interest and dividends received from its subsidiaries, constitute 85% or more of the total gross revenues shown by the consolidated statement of income filed.

(b) Exhibits

1. —Letters of Selling Shareholders regarding observance of Rules 10(b)2, 10(b)6 and 10(b)7 under the Securities Exchange Act of 1934.*

2. — Assets Purchase Agreement, dated February 13, 1970, between Triangle Publications, Inc. and Capital Cities Broadcasting Corporation, and related documents, a copy of which has been filed by the Company together with a report on Form 8-K, under the Securities Exchange Act of 1934, for the month of April, 1971, is hereby incorporated by reference.

3.(a) — Restated Certificate of Incorporation of the Company, a copy of which has been filed by the Company, together with a registration statement, as amended, on Form S-14, under the Securities Act of 1933 bearing No. 2-28986 and filed on May 22, 1969, is hereby incorporated by reference.

(b) — Amendments to Restated Certificate of Incorporation dated May 4, 1972 and May 31, 1972.***

(c) — Certificate of Amendment of Certificate of Incorporation dated May 4, 1973 effecting change of name to Capital Cities Communication, Inc.****

(d) — By-Laws of the Company as currently in effect.***

4. — A specimen copy of the Common Stock being registered has been filed by the Company together with the annual report of the Company on Form 10-K under the Securities Exchange Act of 1934 for the year of 1970 and is hereby incorporated by reference.

5.(a) — 1965 Qualified Stock Option Plan, a copy of which has been filed by the Company and fully set forth in a proxy statement under the Securities Exchange Act of 1934 in connection with an annual meeting of shareholders of the Company on May 10, 1965, is hereby incorporated by reference.

(b) — 1967 Qualified Stock Option Plan, a copy of which has been filed by the Company and fully set forth in a proxy statement under the Securities Exchange Act of 1934 in connection with an annual meeting of shareholders of the Company on May 10, 1967, is hereby incorporated by reference.

(c) — 1968 Qualified Stock Option Plan, a copy of which has been filed by the Company and fully set forth in a proxy statement under the Securities Exchange Act of 1934 in connection with an annual meeting of shareholders of the Company on May 10, 1967, is hereby incorporated by reference.

(d) — 1970 Qualified Stock Option Plan, a copy of which has been filed by the Company and fully set forth in a proxy statement under the Securities Exchange Act of 1934 in connection with an annual meeting of shareholders of the Company on May 11, 1970, is hereby incorporated by reference.

(e) — 1972 Employee Stock Option Plan.**

(f) — Form of Option Agreement issued under the 1965, 1967 and 1968 Qualified Stock Option Plan.

(g) — Form of Option Agreement issued under the 1970 Qualified Stock Option Plan.**

(h) — Form of Option Agreements issued under 1972 Employee Stock Option Plan prior to March 31, 1973.**

(i) — Form of Option Agreement issued and issuable subsequent to March 31, 1973 under 1972 Employee Stock Option Plan.****

6. — Opinion of Messrs. Hall, Dickler and Howley as to the securities being registered.*

7. — Not applicable.

8. — Not applicable.

9. — The opinion of Messrs. Hall, Dickler and Howley, filed as Exhibit 6 to the Registration Statement, is hereby incorporated by reference.

10. — Not applicable.

11.(a) — Profit Sharing Plan of the Company.***

(b) — Pension Plan of Fairchild.***

(c) — Pension Plan of Pontiac Press (name subsequently changed to Oakland Press).***

12. — Not applicable.

13.(a) — Exhibit 2 to this Registration Statement as described above is hereby incorporated by reference.

(b) — Loan Agreement, dated May 20, 1969, by and among Capital Cities Broadcasting Corporation, Chemical Bank, First National City Bank, Marine Midland Grace Trust Company of New York, Society National Bank of Cleveland and Security Pacific National Bank and related documents, a copy of which has been filed by the Company together with a report on Form 8-K under the Securities Exchange Act of 1934 for the month of May, 1969, is hereby incorporated by reference.

(c) — Sales Agreement dated as of January 6, 1973 by and between Capital Cities Broadcasting Corporation and the stockholders of Carter Publications Incorporated and Modification of Sales Agreement dated April 12, 1973. ("Sales Agreement").****

(d) — Agreement dated January 6, 1973 between Capital Cities Broadcasting Corporation and LIN Broadcasting Corporation. ("LIN Agreement").****

(e) — Escrow Agreement dated January 6, 1973 among Capital Cities Broadcasting, LIN Broadcasting Corporation and First National City Bank. ("Escrow Agreement").****

(f) — Agreement dated as of February 5, 1973 among Capital Cities Broadcasting Corporation and Chemical Bank, First National City Bank and Marine Midland Bank — New York and related documents attached thereto as exhibits in connection with the issuance of a commitment letter to the stockholders of Carter Publications Incorporated and first amendment to said Agreement dated April 1, 1973. ("Bank Agreement").****

(g) — Second Amendment dated August 13, 1973 to Sales Agreement.

(h) — Third Amendment dated February 25, 1974 to Sales Agreement.

(i) — Fourth Amendment dated March 20, 1974 to Sales Agreement.

(j) — Amendment dated February 25, 1974 to Escrow Agreement among Capital Cities Communications, Inc., the stockholders of Carter Publications, Inc. and the First National Bank of Fort Worth.

(k) — Amendment dated February 25, 1974 to the LIN Agreement.

(l) — Amendment dated March 5, 1974 to the Escrow Agreement.

(m) — Second Amendment dated February 25, 1974 to the Bank Agreement.

(n) — Guaranty dated February 25, 1974 between Capital Cities Communications, Inc. and Employees Pension Trust of Carter Publications, Inc.

(o) — Extension Agreement dated February 25, 1974 between Capital Cities Communications, Inc. and WFIL, Inc.

(p) — Letter Agreement dated February 25, 1974 between Capital Cities Communications, Inc. and LIN Broadcasting Corp.

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* To be filed with an Amendment to this Registration Statement.

** Filed as an Exhibit to Registration Statement on Form S-1 under the Securities Act of 1933 bearing No. 2-45031 filed on July 14, 1972, hereby incorporated by reference.

*** Filed as an Exhibit to Amendment No. 1 to Registration Statement on Form S-1 under the Securities Act of 1933 bearing No. 2-45031 on November 6, 1972, hereby incorporated by reference.

**** Filed as an Exhibit to Registration Statement on Form S-1 under the Securities Act of 1933 bearing No. 2-48440 on June 27, 1973, hereby incorporated by reference.

UNDERTAKINGS

The Registrant hereby undertakes as follows:

a. subject to the terms and conditions of Section 15(d) of the Securities Exchange Act of 1934, to file with the Securities and Exchange Commission such supplementary and periodic information, documents and reports as may be prescribed by any rule or regulation of the Commission heretofore or hereafter duly adopted pursuant to authority conferred in that section; and

b. to file all current prospectuses complying with Section 10(a)(3) of the Securities Act of 1933 as post-effective amendments to the Registration Statement; and

c. that all such post-effective amendments will be deemed to have the effect of a new registration statement for purposes of determining liabilities under the Act and that such post-effective amendments will comply with all applicable forms, rules, and regulations in effect at the time such post-effective amendments are filed; and

d. that no offering will be made on terms other than those described herein until an appropriate post-effective amendment has been filed and declared effective; and

e. to deregister by post-effective amendment any shares remaining unsold upon termination of this offer.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York, on the 29th day of March, 1974.

CAPITAL CITIES COMMUNICATIONS, INC.

By DANIEL B. BURKE
(Daniel B. Burke)

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons, in the capacities and on the dates indicated:

Signature	Title	Date
THOMAS S. MURPHY (Thomas S. Murphy)	Chairman of the Board and Principal Executive Officer	
DANIEL B. BURKE (Daniel B. Burke)	President, Director and Principal Operating Officer	
WILLIAM KOPTA (William Kopta)	Vice President — Finance, Treasurer and Principal Financial and Accounting Officer	
JOSEPH P. DOUGHERTY (Joseph P. Dougherty)	Executive Vice President and Director	
.... (John B. Fairchild)	Executive Vice President and Director	
GERALD DICKLER (Gerald Dickler)	Secretary and Director	March 29, 1974
EDGARD W. B. FAIRCHILD (Edgard W. B. Fairchild)	Director	
.... (J. Floyd Fletcher)	Director	
.... (William S. Lasdon)	Director	
GEORGE G. LITZKO (George G. Litzko)	Director	
JOHN H. MULLER, JR. (John H. Muller, Jr.)	Director	
LOWELL THOMAS (Lowell Thomas)	Director	

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Capital Cities Communications, Inc.

In connection with our examination of the consolidated financial statements of Capital Cities Communications, Inc. and Subsidiaries at December 31, 1973, and for the three years then ended, we have also examined the supporting schedules included in this Registration Statement (Form S-1) as listed in Item 31(a).

In our opinion, such schedules present fairly the information required to be stated therein.

ARTHUR YOUNG & COMPANY

New York, New York
February 28, 1974

REPORT OF INDEPENDENT ACCOUNTANTS

Carter Publications, Incorporated
Fort Worth, Texas

In connection with our examinations of the consolidated financial statements of Carter Publications, Incorporated and Subsidiaries for the three years ended December 29, 1973, we have examined the related schedules listed in Item 31(a) of this Registration Statement. In our opinion, such schedules present fairly the information required to be stated therein.

ERNST & ERNST

Fort Worth, Texas
February 8, 1974

CONSENT OF CERTIFIED PUBLIC ACCOUNTANTS

We consent to the references to our firm under the captions "Consolidated Statement of Income — Capital Cities Communications, Inc. and Subsidiaries", and "Experts" and to the use of our reports dated February 28, 1974, in the Registration Statement (Form S-1) and related Prospectus of Capital Cities Communications, Inc. and Subsidiaries.

ARTHUR YOUNG & COMPANY

New York, New York
March 29, 1974

CONSENT OF INDEPENDENT ACCOUNTANTS

Capital Cities Communications, Inc.
New York, New York

We consent to the use in this Registration Statement and related Prospectus of our reports dated February 8, 1974, accompanying the consolidated financial statements and schedules of Carter Publications, Incorporated and Subsidiaries for the three years ended December 29, 1973.

We also consent to the references made to us under the captions "Consolidated Statement of Income — Carter Publications, Incorporated and Subsidiaries" and "Experts" in the Prospectus.

ERNST & ERNST

Fort Worth, Texas
March 29, 1974

CONSENT OF COUNSEL

The consent of Messrs. Hall, Dickler & Howley to the use of their opinion to be filed as Exhibit 6 to this Registration Statement and to all references to such firm in the Prospectus and elsewhere in this Registration Statement will be included in the opinion of Hall, Dickler & Howley.

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CAPITAL CITIES COMMUNICATIONS, INC. AND SUBSIDIARIES

SCHEDULE V — PROPERTY, PLANT AND EQUIPMENT

	Balance at beginning of period		Additions		Retirements or sales			
	As previously reported	Belleville News-Democrat, Inc.	Purchase of broadcasting properties Apr. 27, 1971 (A)	Other additions at cost	Sale of broadcasting properties (A)	Other	Other changes — reclassification	Balance at close of period
Year ended December 31, 1973:								
Land and land improvements	$ 6,645,012			$ 165,130		$(382,127)		$ 6,428,015
Buildings	14,444,549			212,584		(37,104)		14,620,029
Broadcasting equipment	18,449,387			1,692,668		(212,241)		19,929,814
Printing machinery and equipment	5,148,817			357,199		(1,799,426)		3,706,590
Program tapes, records and instruments	1,515,152			—		—		1,515,152
Furniture and fixtures	2,975,067			193,045		(19,324)		3,148,788
Automotive equipment	179,180			44,171		(57,512)		165,839
Leaseholds and leasehold improvements	1,482,458			25,563		—		1,508,021
Construction in progress	716,339			168,915		—		885,254
	$51,555,961			$2,859,275		$(2,507,734)		$51,907,502
Year ended December 31, 1972:								
Land and land improvements	$ 6,372,378	$ 319,978		$ 1,194		$ (48,538)		$ 6,645,012
Buildings	13,022,160	1,128,440		561,951		(268,002)		14,444,549
Broadcasting equipment	17,771,173	—		698,016		(19,802)		18,449,387
Printing machinery and equipment	4,560,812	930,408		209,603		(552,006)		5,148,817
Program tapes, records and instruments	1,515,152	—		—		—		1,515,152
Furniture and fixtures	2,478,845	88,001		414,741		(6,520)		2,975,067
Automotive equipment	122,092	40,718		43,089		(26,719)		179,180
Leaseholds and leasehold improvements	1,444,160	—		38,298		—		1,482,458
Construction in progress	218,691	—		497,648		—		716,339
	$47,505,463	$2,507,545		$2,464,540		$(921,587)		$51,555,961
Year ended December 31, 1971:								
Land and land improvements	$ 3,198,504	$ 181,419	$ 3,338,500	$ 140,160	$ (166,227)	$ —	$ —	$ 6,692,356
Buildings	9,949,871	1,007,573	4,125,600	395,701	(1,328,145)	—	—	14,150,600
Broadcasting equipment	15,116,207	—	6,225,650	301,990	(3,833,087)	(39,587)	—	17,771,173
Printing machinery and equipment	5,427,787	835,673	—	112,173	—	(851,078)	(33,335)	5,491,220
Program tapes, records and instruments	1,551,201	—	—	—	(36,049)	—	—	1,515,152
Furniture and fixtures	2,327,275	87,445	195,100	149,842	(151,968)	(74,183)	33,335	2,566,846
Automotive equipment	127,888	35,718	38,300	32,679	(39,159)	(32,616)	—	162,810
Leaseholds and leasehold improvements	1,978,776	—	295,000	42,578	(869,663)	(2,531)	—	1,444,160
Construction in progress	52,034	—	—	166,657	—	—	—	218,691
	$39,729,543	$2,147,828	$14,218,150	$1,341,780	$(6,424,298)	$(999,995)	$ —	$50,013,008

(A) See Note 2 to Consolidated Financial Statements.

DISCLOSURE® IF THE ABOVE PAGE IS LESS CLEAR THAN THIS STATEMENT, IT IS DUE TO POOR PHOTOGRAPHIC QUALITY OF THIS DOCUMENT.

CAPITAL CITIES COMMUNICATIONS, INC. AND SUBSIDIARIES

SCHEDULE VI — ACCUMULATED DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT

	Balance at beginning of period			Deductions from reserve			
	As previously reported	Belleville News-Democrat, Inc.	Charged to income	Sales of broadcasting properties (A)	Retirements, renewals and replacements	Other changes	Balance at close of period
Year ended December 31, 1973:							
Land improvements	$ 181,398		$ 36,878		$ (18,715)		$ 199,561
Buildings	4,537,532		465,790		(22,669)		4,980,653
Broadcasting equipment	9,856,417		1,602,918		(155,217)		11,304,118
Printing machinery and equipment	2,622,409		351,159		(577,094)		2,396,474
Program tapes, records and instruments	1,450,848		17,948		—		1,468,796
Furniture and fixtures	1,775,937		217,987		(10,869)		1,983,055
Automotive equipment	103,830		38,167		(52,489)		89,508
Leaseholds and leasehold improvements	935,095		110,844		—		1,045,939
	$21,463,466		$2,841,691		$(837,053)		$23,468,104
Year ended December 31, 1972:							
Land improvements	$ 140,531	$ 3,314	$ 37,553		$ —		$ 181,398
Buildings	4,090,427	216,534	445,777		(215,206)		4,537,532
Broadcasting equipment	8,352,003	—	1,518,905		(14,491)		9,856,417
Printing machinery and equipment	1,686,454	564,435	380,438		(8,918)		2,622,409
Program tapes, records and instruments	1,432,900	—	17,948		—		1,450,848
Furniture and fixtures	1,514,653	61,291	202,967		(2,974)		1,775,937
Automotive equipment	57,866	28,771	39,665		(22,472)		103,830
Leaseholds and leasehold improvements	828,125	—	106,970		—		935,095
	$18,102,959	$874,345	$2,750,223		$(264,061)		$21,463,466
Year ended December 31, 1971:							
Land improvements	$ 128,068	$ 2,168	$ 33,094	$ (19,485)	$ —	$ —	$ 143,845
Buildings	4,231,844	184,148	430,496	(539,527)	—	—	4,306,961
Broadcasting equipment	9,499,438	—	1,588,749	(2,690,487)	(46,215)	518	8,352,003
Printing machinery and equipment	2,236,707	478,432	379,207	—	(828,884)	(14,573)	2,250,889
Program tapes, records and instruments	1,301,046	—	155,791	(23,937)	—	—	1,432,900
Furniture and fixtures	1,450,301	54,739	214,474	(113,400)	(44,225)	14,055	1,575,944
Automotive equipment	92,579	22,823	33,103	(35,542)	(26,326)	—	86,637
Leaseholds and leasehold improvements	943,724	—	110,198	(223,558)	(2,239)	—	828,125
	$19,883,707	$742,310	$2,945,112	$(3,645,936)	$(947,889)	$ —	$18,977,304

(A) See Note 2 to Consolidated Financial Statements.

CAPITAL CITIES COMMUNICATIONS, INC. AND SUBSIDIARIES

SCHEDULE VII — INTANGIBLE ASSETS

	Balance at beginning of period				
	As previously reported	Belleville News-Democrat, Inc.	Additions at cost	Deductions charged to income	Balance at close of period
Excess of cost over assets of businesses acquired:					
Year ended December 31, 1973	$129,034,445		$ 38,874	$ (32,664)	$129,040,655
Year ended December 31, 1972	$127,735,300	$45,000	$ 1,286,809	$ (32,664)	$129,034,445
Year ended December 31, 1971	$ 51,373,764	$45,000	$81,301,412	$(4,939,876)(A)	$127,780,300

(A) Sale of television station WSAZ-TV, Huntington, West Virginia.

CAPITAL CITIES COMMUNICATIONS, INC. AND SUBSIDIARIES

SCHEDULE XII — ALLOWANCE FOR DOUBTFUL ACCOUNTS

	Balance at beginning of period	Charged to income	Deductions from reserves(A)	Balance at close of period
Deducted from accounts and notes receivable:				
Year ended December 31, 1973	$921,744	$911,007	$(686,238)	$1,146,513
Year ended December 31, 1972	$835,942	$692,737	$(606,935)	$ 921,744
Year ended December 31, 1971	$346,304	$939,428	$(449,790)	$ 835,942

(A) Accounts written-off, net.

CARTER PUBLICATIONS, INCORPORATED AND SUBSIDIARIES

SCHEDULE I — SHORT-TERM CASH INVESTMENTS — CORPORATE STOCKS
December 29, 1973

Column A	Column B	Column C	Column D
Name of Issuer and Title of Each Issue	Number of Shares or Units — Principal Amount of Bonds and Notes	Amount at Which Shown in the Balance Sheet	Approximate Market Value
Short-Term Cash Investments:			
Certificates of deposit	$8,210,000	$ 8,210,000	$ 8,210,000
State, county, and municipal securities	1,952,000	1,933,136	1,933,000
U. S. Treasury bills	255,000	251,218	251,000
Public utility bonds	649,000	651,664	620,000
Corporate notes and debentures	120,000	119,642	122,000
Other	—	203,011	203,000
		$11,368,671	$11,339,000
Corporate Stocks:			
Southland Paper Mills, Inc.	348,750 shs.	$ 1,752,133	$ 6,160,000(1)
The Fort Worth National Corporation	70,000	860,392	1,850,000
First United Bancorporation	25,000	322,597	800,000
Southwest Bancshares, Inc.	5,040	125,500	90,000
Other	—	3,076	—
		$ 3,063,698	$ 8,900,000

(1) Quoted market. However, these shares are unregistered and subject to voting restriction.

CARTER PUBLICATIONS, INCORPORATED AND SUBSIDIARIES

SCHEDULE II — AMOUNTS RECEIVABLE FROM DIRECTOR AND OFFICER

Column A	Column B	Column C	Column D		Column E	
			Deductions		Balance at End of Period	
Name of Debtor	Balance at Beginning of Period	Additions	(1) Amounts Collected	(2) Amounts Written Off	(1) Current	(2) Not Current
Three years ended December 29, 1973						
Amon G. Carter, Jr.	$50,000	$ —	$ —	$ —	$ —	$50,000(1)

(1) The amount receivable is a note, payable on demand, with interest at 5% throughout the period and is included in Other Assets in the financial statements.

CARTER PUBLICATIONS, INCORPORATED AND SUBSIDIARIES

SCHEDULE V — PROPERTY, PLANT AND EQUIPMENT

Column A	Column B	Column C	Column D	Column E	Column F
Classification	Balance at Beginning of Period	Additions at Cost	Retirements	Other Changes — Add (Deduct) — Describe	Balance at End of Period
Year ended December 29, 1973:					
Land	$ 831,419	$ 44,016	$ —		$ 875,435
Buildings	10,955,844	30,677	—		10,986,521
Broadcast, printing, and other equipment	15,990,353	1,312,467	190,500		17,112,320
	27,777,616	1,387,160	190,500		28,974,276
Less property, plant, and equipment that will not be acquired by Capital Cities	6,146,755	220,106	16,100		6,350,761
	$21,630,861	$1,167,054	$ 174,400		$22,623,515
Year ended December 30, 1972:					
Land	$ 838,419	$ —	$ 7,000		$ 831,419
Buildings	10,836,078	128,203	8,437		10,955,844
Broadcast, printing, and other equipment	15,974,114	1,220,747	1,204,508		15,990,353
	27,648,611	1,348,950	1,219,945		27,777,616
Less property, plant, and equipment that will not be acquired by Capital Cities	6,737,063	573,223	1,163,531		6,146,755
	$20,911,548	$ 775,727	$ 56,414		$21,630,861
Year ended January 1, 1972:					
Land	$ 878,986	$ 1,678	$ 42,245		$ 838,419
Buildings	9,690,496	1,232,259	86,677		10,836,078
Broadcast, printing, and other equipment	14,136,697	1,933,477	96,060		15,974,114
Construction in progress	798,348	(798,348)	—		—
	25,504,527	2,369,066	224,982		27,648,611
Less property, plant, and equipment that will not be acquired by Capital Cities	6,229,891	538,065	30,893		6,737,063
	$19,274,636	$1,831,001	$ 194,089		$20,911,548

CARTER PUBLICATIONS, INCORPORATED AND SUBSIDIARIES

SCHEDULE VI — ACCUMULATED DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT

Column A	Column B	Column C	Column D	Column E	Column F
Description	Balance at Beginning of Period	Additions Charged to Costs and and Expenses	Retirements	Other Changes — Add (Deduct) — Describe	Balance at End of Period
Year ended December 29, 1973:					
Buildings	$ 4,119,927	$ 296,327	$ —		$ 4,416,254
Broadcast, printing, and other equipment	7,763,810	1,154,548	83,125		8,835,233
	11,883,737	1,450,875	83,125		13,251,487
Less accumulated depreciation of property, plant, and equipment that will not be acquired by Capital Cities .	3,662,237	485,206	13,715		4,133,728
	$ 8,221,500	$ 965,669	$ 69,410		$ 9,117,759
Year ended December 30, 1972:					
Buildings	$ 3,818,929	$ 303,527	$ 2,529		$ 4,119,927
Broadcast, printing, and other equipment	7,139,368	1,099,159	474,717		7,763,810
	10,958,297	1,402,686	477,246		11,883,737
Less accumulated depreciation of property, plant, and equipment that will not be acquired by Capital Cities .	3,610,292	492,295	440,350		3,662,237
	$ 7,348,005	$ 910,391	$ 36,896		$ 8,221,500
Year ended January 1, 1972:					
Buildings	$ 3,585,382	$ 317,705	$ 15,649	$(68,509)(1)	$ 3,818,929
Broadcast, printing, and other equipment	6,146,577	1,075,277	82,486	—	7,139,368
	9,731,959	1,392,982	98,135	(68,509)	10,958,297
Less accumulated depreciation of property, plant, and equipment that will not be acquired by Capital Cities .	3,112,953	524,710	27,371	—	3,610,292
	$ 6,619,006	$ 868,272	$ 70,764	$(68,509)	$ 7,348,005

(1) Adjustment from Internal Revenue Service examination.

CARTER PUBLICATIONS, INCORPORATED AND SUBSIDIARIES

SCHEDULE VII — INTANGIBLE ASSETS

Column A	Column B	Column C	Column D		Column E	Column F
			Deductions			
Description	Balance at Beginning of Period	Additions at Cost — Describe	(1) Charged to Costs and Expenses	(2) Charged to Other Accounts — Describe	Other Changes — Add (Deduct) — Describe	Balance at Close of Period
Year ended December 29, 1973:						
Radio license rights	$3,500,000	$ —	$ —	$ —	$ —	$3,500,000(1)
Goodwill resulting from acquisition of Citizen-Journal, Inc.	45,233	—	13,226	—	—	32,007(2)
Year ended December 30, 1972:						
Radio license rights	3,500,000	—	—	—	—	3,500,000
Goodwill resulting from acquisition of Citizen-Journal, Inc.	58,459	—	13,226	—	—	45,233
Year ended January 1, 1972:						
Radio license rights	3,500,000	—	—	—	—	3,500,000
Goodwill resulting from acquisition of Citizen-Journal, Inc.	71,685	—	13,226	—	—	58,459

(1) See Note C of Notes to Consolidated Financial Statements.

(2) Included in Other Assets in the financial statements.

Schedule XII

CARTER PUBLICATIONS, INCORPORATED AND SUBSIDIARIES

SCHEDULE XII — ALLOWANCE FOR DOUBTFUL ACCOUNTS

Column A	Column B	Column C		Column D	Column E
		Additions			
Description	Balance at Beginning of Period	(1) Charged to Costs and Expenses	(2) Charged to Other Accounts — Describe	Deductions — Describe	Balance at End of Period
Year ended:					
December 29, 1973	$77,250	$ 58,578	$ —	$ 56,604(1)	$79,224
December 30, 1972	29,000	156,018	—	107,768(1)	77,250
January 1, 1972	27,100	103,689	—	101,789(1)	29,000

(1) Accounts written-off, net of recoveries.

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CARTER PUBLICATIONS, INCORPORATED AND SUBSIDIARIES

SCHEDULE XIII — CAPITAL SHARES

December 29, 1973

Col. A	Col. B	Col. C	Col. D		Col. E		Col. F		Col. G	
			Number of Shares Included in Column C Which Are		Shares Issued or Outstanding as Shown on or Included in Related Balance Sheet Under Caption "Capital Shares"		Number of Shares Held by Affiliates for Which Statements are Filed Herewith		Number of Shares Reserved for Options, Warrants, Conversions and Other Rights	
Name of Issuer and Title of Issue	Number of Shares Authorized by Charter	Number of Shares Issued and Not Retired or Cancelled	(1) Held by or for Account of Issuer Thereof	(2) Not Held by or for Account of Issuer Thereof	(1) Number	(2) Amount at Which Shown	(1) Persons Included in Consolidated Statements	(2) Others	(1) Directors, Officers and Employees	(2) Others
Carter Publications, Incorporated	200,000	200,000	None	200,000	200,000	$20,000,000	None	None	None	None
Citizen-Journal, Inc.	77,175	77,175	None	77,175	None	56,815 (1)	61,740	15,435	None	None
Tribune Printing Company, Inc.	80,933	80,933	1,730	79,203	None	15,965 (1)	40,233	38,970	None	None
Star-Telegram Syndicate	2,500	200	None	200	None	(1,376)(1)	160	40	66	None

(1) The minority interest in subsidiaries is carried in accrued expenses in the consolidated balance sheet as it is not material.

Schedule XIII

END

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