SEC FILE NO 1- 4278 11

SIC 483

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CAPITAL CITIES COMMUNICATIONS INC

10-K

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CARD 1

FOR 12/31/75

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

Prspct Eff: 11/13/74
Related Reg. No: 2-50593
Supplement to prospectus dated 5/14/74.
10-Q For: 9/30/74
8-K For: 11/30/74
Acquired 68.5% capital stock of Carter Publications Inc. for $75.5 million, payable in cash and promissory notes. Received properties of Fort Worth Star-Telegram daily newspaper, radio networks, and a suburban newspaper. $10 million of notes issued held in escrow until disposition of appeal to renew FCC licensing of radio stations.

- Merger and acquisition; *Carter Publications, Inc.; Payment in cash and debt; Long term secured loans
- Merger and acquisition; *Carter Publications, Inc.; Radio network operation; Newspaper publishing
- Escrow agreements; Merger and acquisition; Radio network operation; License renewal; Regulatory approval pending

Exhibits:

- Ex: Purchase contracts; *1/6/73; *Amendments; *4/22/74; *11/8/74; *Carter Publications Inc.

Regst S-1 Filed: 3/31/75
Reg. No: 2-53200
52,795 shares of Common Stock including 25,000 shares to be offered under 1972 Employee Stock Option Plan and 27,795 shares to be offered by shareholders. Selling shareholders are 15 individuals or their representatives, including executive vice president and family members. Preliminary prospectus also covers 127,153 common shares previously registered on Reg. Nos. 2-45031, 2-48440, and 2-55093 under 1970 Qualified Stock Option Plan, and under the above offerings.
Principal Underwriter: None
Legal Counsel: Hall, Dickler, Lawler, Kent & Howley

- Common stock offered to employees; Qualified/nonqualified option plans
- Common stock offering; Shareholder offering
- Common stock offered to employees; Qualified stock option plans; Posteffective registration amendment

10-K For: 12/31/74
Auditor: Arthur Young & Company
Shareholders: 2,301

For the years ended:	12/31/74	12/31/73
Revenues:	$138,585,000	$127,498,000
Earnings:	$22,025,000/$2.86	$20,146,000/$2.61
Extr. Items:	None	None
Assets:	$300,880,000	$237,865,000
Net Worth:	$163,860,000	$141,906,000

Description of Business: Publishes business newspapers for specific industries, three daily newspapers, and biweekly consumer newspaper. Owns and operates five VHF and one UHF TV stations, seven AM and six FM radio stations. Acquired Carter Publications, Inc. Derives all broadcasting and over 80% of publishing revenues from sale of advertising.

- Newspaper publishing; Trade paper publishing
- Radio broadcasting; Television broadcasting

RESUME CONTINUED ON NEXT FRAME

Auditor's Report: Unqualified
Financial Statements and Notes:
- Deferred film exhibition rights cost
- Merger and acquisition; *Carter Publications, Incorporated; Purchase accounting (acquisitions); Payment in cash and debt
- Purchase of businesses; *Fort Worth Star-Telegram; Newspaper publishing
- Communication system acquisition; *WBAP-AM; *KSCS-FM

Exhibits: None indexed

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
Auditor: Arthur Young & Company

10-K Amendment 1 For: 12/31/74
Properties (item 3), Legal Proceedings (item 5) and Executive Officers (item 8) amended.
Summary of Operations and Financial Statements amended. Previously reported summary financial information unchanged.
Various exhibits filed.
Prspct Eff: 5/14/75
Related Reg. No: 2-53200
Covers 25,000 common shares offered under 1972 Employee Stock Option Plan and 221,525 common shares offered by selling shareholders, including 51,998 common shares arising from conversion of 25,999 shares of Convertible preferred Stock.
8-K For: 5/31/75
Exhibits: None indexed
10-Q For: 3/31/75
Proxy For: 3/31/75
8-K For: 6/30/75
- Preferred stock conversion; Cumulative preferred stock; Payment in common stock

Exhibits: None
10-Q For: 6/30/75
10-Q For: 9/30/75
8-K For: 12/31/75
Exhibits: None

C101850

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

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SECURITIES AND EXCHANGE COMMISSION
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MAR 30 1976
OFFICE OF REPORTS
& INFORMATION SERVICES

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, 1975

Commission file number 1-4278

Capital Cities Communications, Inc.

(Exact name of registrant as specified in its charter)

New York State	14-1284013
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
24 East 51st Street, New York, N. Y.	10022
(Address of principal executive offices)	(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

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

(Title of class)

None

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 .

PART I

Item number and caption	Included herein	Incorporated herein by reference to Registration Statement on Form S-1 filed March 30, 1976	
	Page	Section	Pages
1. Business		Business	S-15
2. Summary of Operations		Consolidated Statement of Income	6
		Management's Discussion and Analysis of the Consolidated Statement of Income	7
3. Properties		Properties	15-17
4. Parents and Subsidiaries		Item 27. Subsidiaries of Registrant	II-1
5. Legal Proceedings		Legal Proceedings	26-27
6. Increases and Decreases in Outstanding Securities	4		
7. Approximate Number of Equity Security Holders	4		
8. Executive Officers of the Registrant		Management	17-19
9. Indemnification of Directors and Officers		Item 29. Indemnification of Directors and Officers	II-2
10. Financial Statements and Exhibits			
(a) Financial statements and schedules of Capital Cities Communications, Inc.:			
(1) Consolidated balance sheet at December 31, 1975 and 1974		Financial Statements	32
(2) For the five years ended December 31, 1975:			
Consolidated statement of income		Consolidated Statement of Income	6
Consolidated statement of changes in financial position		Financial Statements	31
Notes to consolidated financial statements		Financial Statements	34-38
(3) Consolidated statement of stockholders' equity for the three years ended December 31, 1975		Financial Statements	33
(4) Schedules for the three years ended December 31, 1975:			
II — Amounts receivable from director			S-1
V — Property, plant and equipment			S-2
VI — Accumulated depreciation of property, plant and equipment			S-3
VII — Intangible assets			S-4
XII — Allowance for doubtful accounts			S-5

Item number and caption	Included herein Page	Incorporated herein by reference to Registration Statement on Form S-1 filed March 30, 1976 Section	Pages
10. Financial Statements and Exhibits (Continued)			
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 do not have minority equity interests and/or indebtedness to any person other than the Company.			
The financial statements, schedules and information listed in the Registration Statement on Form S-1 filed on March 30, 1976 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.			
(5) Reports of certified public accountants		Financial Statements	30
		Report of Certified Public Accountants	II-7
(b) Exhibit			
Consent of certified public accountants	5		

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
William Kopta
Treasurer

Dated: March 30, 1976

Item 6. Increases and decreases in outstanding securities

(a) Increases and decreases in outstanding equity 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, 1974	Issued and outstanding	7,208,163	237,912
Jan. 28, 1975 to June 12, 1975	Shares of common stock issued on conversion of preferred stock	475,824	(237,912)
May 19, 1975 to Aug. 5, 1975	Shares of common stock issued on exercise of employee stock options (1)(2)(3)	2,750	
Dec. 31, 1975	Issued and outstanding	7,686,737	—

(1) See Note 7 to Consolidated Financial Statements of the Company incorporated herein by reference to Registration Statement on Form S-1 filed on March 30, 1976.

(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, 1975
Common stock, $1.00 par value	2,227

Exhibit

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, 1975 of our reports dated February 27, 1976 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 on Form S-1 filed with the Securities and Exchange Commission on March 30, 1976.

ARTHUR YOUNG & COMPANY

New York, New York
March 30, 1976

As filed with the Securities and Exchange Commission on March 30, 1976.

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, Lawler, Kent & 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	57,225 shs.	$49.00	$2,804,025	$561

(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 $49.00 is based upon the closing price of the Common Stock on the New York Stock Exchange on March 24, 1976. The Common Stock 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, in a Registration Statement (No. 2-48440) which became effective on August 14, 1973, in a Registration Statement (No. 2-50593) which became effective on May 14, 1974 and in a Registration Statement (No. 2-53200) which became effective on May 14, 1975.

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 Operations	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	Legal Proceedings
13. Capital Stock Being Registered	Description of Securities; 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	Management
21. Financial Statements	Index to Consolidated Financial Statements

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

PROSPECTUS

100,198 Shares

Capital Cities Communications, Inc.

Common Stock

(par value $1 per share)

Of the 100,198 shares of Common Stock, par value $1 per share (the "Common Stock") of Capital Cities Communications, Inc. (the "Company") offered hereby, 40,000 shares are being registered by the Company pursuant to a proposed amendment to the 1972 Employee Stock Option Plan and 60,198 shares of Common 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 24, 1976 the closing price of the Company's Common Stock on the New York Stock Exchange was $49.00 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 1972 Employee Stock Option Plan (See "Stock Option Plans"). Each of the Selling Shareholders has a present intention to sell his shares of Common Stock being offered hereby.

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

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

SUMMARY OF DISCLOSURE IN THE PROSPECTUS

The Company is engaged in the business of radio and television broadcasting and publishing (see "Business"). For a description of the radio and television stations owned by the Company and the properties maintained by the Company for its broadcasting and publishing operations, see "Properties".

Proceeds to be received by the Company from the sale of Common Stock issuable upon exercise of stock options as described at "Stock Option Plans" will be used for general corporate purposes. The Company will not receive any proceeds from sale of Common Stock being registered by the Selling Shareholders (see "Use of Proceeds"). A table which sets forth the names and holdings of the Selling Shareholders is contained at "Selling Shareholders".

FINANCIAL INFORMATION (See pages 6 and 31-38)

(In thousands except per share data)

	Year Ended December 31, 1975	Quarter Ended March 31, 1976	Quarter Ended March 31, 1975
Income Statement:			
Net revenues	$174,886	$	$ 39,580
Net income	$ 25,402	$	$ 5,038
Balance Sheet:			
Working capital	$ 34,547	$	$ 18,447
Total assets	$315,128	$	$293,357
Total liabilities	$126,207	$	$124,488
Shareholders' equity	$188,921	$	$168,869
Net Income Per Share	$3.28	$	$.65
Average Number of Shares	7,733		7,703

THE COMPANY

Capital Cities Communications, Inc., a New York corporation, has been engaged in radio broadcasting since 1947, in television broadcasting since 1953 and in publishing since 1968. 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, 1975, the Company had 2,896 employees of whom 944 were engaged in broadcasting and 1,952 in publishing. Further description of the Company's business appears under the captions "Business" and "Properties".

USE OF PROCEEDS

Proceeds to be received by the Company from the sale of Common Stock issuable upon the exercise of stock options which may be granted pursuant to a proposed amendment to the 1972 Employee Stock Option Plan being registered hereby will 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 27, 1976 is as follows:

	Amount Outstanding(1)(2)
Notes payable to Triangle Financial, Inc. relating to the purchase of broadcasting properties which are pledged as collateral thereto and bearing interest at prime rate or 5%, whichever is higher, due 1977-1979	$26,591,654
Notes payable to former stockholders of Carter Publications, Inc. relating to the purchase of newspaper and radio broadcasting properties which together with certain other assets are pledged as collateral thereto and bearing interest at 6%, due 1976-1982	37,425,000
Convertible Preferred Stock, $1 par value (600,000 shs. authorized)	None
Common Stock, $1 par value (20,000,000 shs. authorized)	7,687,924 shs.

(1) Includes current maturities of long-term debt of $16,275,000.

(2) See Notes to Consolidated Financial Statements for additional details in connection with indebtedness and regarding Common Stock reserved for issuance in connection with exercise of options granted. Completion of this offering would have no effect on the consolidated capitalization.

DIVIDEND POLICY

The Company has followed a policy of retaining all earnings to finance the growth and development of its business. Initiation of the payment of regular quarterly dividends on the Company's Common Stock, at the rate of $.20 per year, was announced in December 1975. The indicated annual dividend payments for the year 1976 would amount to 6% of the 1975 consolidated net income of the Company and would not materially change this policy. The payment of dividends rests within the discretion of the Board of Directors and will depend, among other things, upon earnings, capital requirements and the financial condition of the Company.

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
1971	49¾	29
1972	64¼	48
1973	62½	30
1974	39¼	16¾
1975	43½	22
January 1 — March 24, 1976	52⅝	42¼

On March 24, 1976 the reported closing price of the Common Stock on the New York Stock Exchange was $49.00 per share.

CONSOLIDATED STATEMENT OF INCOME

The following consolidated statement of income of Capital Cities Communications, Inc. for the five years ended December 31, 1975 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,				
	1975	1974	1973	1972	1971
	(in thousands of dollars, except per share data)				
Net revenues	$174,886	$138,585	$127,498	$118,488	$98,076
Operating expenses:					
Broadcasting and publishing	71,375	53,590	48,027	46,067	37,309
Selling, general and administrative	43,458	35,017	32,031	31,552	27,514
Depreciation	5,098	3,212	2,842	2,750	2,945
Amortization of intangible assets	820	147	33	33	—
	120,751	91,966	82,933	80,402	67,768
Operating income	54,135	46,619	44,565	38,086	30,308
Other income and (expense):					
Interest and financing expense	(5,352)	(5,724)	(5,405)	(4,356)	(4,524)
Interest income	2,749	4,119	2,333	1,310	1,445
Miscellaneous, net	470	231	43	553	169
	(2,133)	(1,374)	(3,029)	(2,493)	(2,910)
Income before income taxes and extraordinary item	52,002	45,245	41,536	35,593	27,398
Income taxes:					
State and local	3,570	3,380	3,420	3,198	2,256
Federal (Note 4)	23,030	19,840	17,970	15,380	12,013
	26,600	23,220	21,390	18,578	14,269
Income before extraordinary item	25,402	22,025	20,146	17,015	13,129
Extraordinary item — Gain on sale of television stations less income taxes of $10,090	—	—	—	—	18,168
Net income	$ 25,402	$ 22,025	$ 20,146	$ 17,015	$31,297
Income per share (Note 8):					
Common stock and common stock equivalents:					
Income before extraordinary item	$3.28	$2.86	$2.61	$2.29	$1.80
Extraordinary item	—	—	—	—	2.50
Net income	$3.28	$2.86	$2.61	$2.29	$4.30
Fully diluted:					
Income before extraordinary item	$3.28	$2.86	$2.61	$2.21	$1.72
Extraordinary item	—	—	—	—	2.38
Net income	$3.28	$2.86	$2.61	$2.21	$4.10
Dividends declared on Common Stock	$ .05	—	—	—	—

Numerical note references are to Notes to Consolidated Financial Statements on pages 34 to 38 of this Prospectus.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE CONSOLIDATED STATEMENT OF INCOME

1975 Compared to 1974

Net Revenues

Net revenues for 1975 increased $36,301,000 or 26% over 1974. The major portion of the revenue gain, $28,500,000, is attributable to the inclusion of the operations of the *Fort Worth Star-Telegram* and WBAP-AM/KSCS-FM for the full year in 1975, compared to a less than two-month period in 1974. The balance of the revenue improvement resulted from a 7% gain in other broadcasting revenues and a 4% increase in the Company's other publishing operations, due principally to a greater demand for television time and circulation rate increases.

Operating Expenses

Operating expenses for 1975 rose $28,785,000 or 31% over the previous year. The largest portion of the increase in expenses, $23,111,000 (including increases in depreciation of $1,519,000 and amortization of intangibles of $673,000), resulted from the newspaper and radio station operations acquired in November 1974. A major part of the remaining increase results from selling and promotion cost increases of the other operations, reflecting the Company's continuing efforts to expand its broadcasting audiences and publishing readership.

Other Income and Expense

Net financing costs (interest expense less interest income) for 1975 increased by $998,000 over 1974. Additional net financing costs of $3,687,000, resulting from the 1974 acquisition of the operations of Carter Publications, Inc. ("Carter"), were partially offset by a $2,689,000 reduction in other net financing costs, due primarily to lower effective interest rates in 1975. The 1975 increase in miscellaneous income resulted principally from dividends received on investments.

Net Income

Net income increased by $3,377,000 or $.42 per share (after an increase in the amortization of acquisition related intangibles of $673,000 or $.09 per share), a gain of 15% over 1974. $655,000 of this gain resulted from the Carter operations acquired in 1974, net of the related increase in net financing costs. The balance was attributable to profit gains in television and continuing publishing operations and reduced financing costs, partially offset by lower earnings of continuing radio station operations. Operating income margins, excluding the effect of the Carter acquisition, remained constant at 33% of net revenues. The Company's effective income tax rates decreased slightly due to somewhat higher investment tax credits in 1975.

1974 Compared to 1973

Net revenues for 1974 were up $11,087,000 or 9% over 1973 while operating income increased $2,054,000 or 5%. The inclusion of the operations of the Carter newspaper and radio operations from the November 8, 1974, acquisition date accounted for $4,831,000 of the revenue increase and $879,000 of the gain in operating income. The balance of the gains was divided equally between television and the Fairchild publications. Operational gains were more moderate than previously as a result of accelerating inflation and the economic recession.

The operating results for the three month periods ended March 31, 1976 and 1975 are set forth below. These results are unaudited but in the opinion of management contain all adjustments (comprising only normal recurring accruals) necessary for a fair presentation of the results of operations.

	Three Months Ended March 31, 1976	Three Months Ended March 31, 1975
	(Unaudited)	
Net revenues	$	$39,580,000
Income taxes	$	$ 5,500,000
Net income	$	$ 5,038,000
Net income per share	$.	$.65

BUSINESS

General

The Company derives all broadcasting revenues and approximately 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. 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
1975	$174,886	$88,066	$86,820
1974	138,585	60,009	78,576
1973	127,498	51,432	76,066
1972	118,488	48,603	69,885
1971	98,076	41,857	56,219
Operating income			
1975	54,135	16,313	37,822
1974	46,619	11,673	34,946
1973	44,565	9,133	35,432
1972	38,086	7,505	30,581
1971	30,308	7,156	23,152

Publishing

Fairchild Publications, Inc. ("Fairchild"), a wholly owned subsidiary of the Company, is primarily engaged in gathering and publishing business news and ideas for industries covered by its various publications, all of which are printed by outside printing contractors. Following are the publications:

Title	Frequency	Circulation
NEWSPAPERS:		
Women's Wear Daily	Daily	72,000
Home Furnishings Daily	Daily	33,000
Daily News Record	Daily	26,000
American Metal Market	Daily	16,000
Footwear News	Weekly	24,000
Supermarket News	Weekly	54,000
Electronic News	Weekly	71,000
Metalworking News	Weekly	67,000
W	Bi-Weekly	163,000
MAGAZINES:		
Men's Wear	Bi-Weekly	27,000
Metal/Center News	Monthly	12,000

In 1972, Fairchild purchased *American Metal Market*, a 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.

In 1972, Fairchild also commenced publication of *W*, a consumer newspaper devoted primarily to women and featuring people, fashion and daily living. Direct expenses exceeded revenues by approximately $90,000, $400,000 and $800,000 in 1974, 1973 and 1972, respectively, and were charged to expense. *W* made a modest contribution to profits in 1975.

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 19, 1976 for the first half of 1976 totaled $15,740,000 as compared to $13,440,000 booked at March 21, 1975 for the 1975 period.

The Oakland Press, purchased by the Company in 1969, is a daily evening newspaper with a circulation of approximately 73,000 and serves a surburban 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 News-Democrat, a newspaper serving Belleville, Illinois, a suburban area adjacent to St. Louis, Missouri, was acquired in 1972. This paper is published in the afternoon, Monday through Friday, has a circulation of approximately 32,000, and competes with St. Louis metropolitan newspapers and other local advertising media.

The *Fort Worth Star-Telegram*, with a combined morning and evening circulation of 230,000 and a Sunday circulation of 235,000, was acquired in November 1974 together with the *Citizen-Journal* (Arlington, Texas), a suburban newspaper published three times weekly. As to the surrounding area, they compete with Dallas metropolitan newspapers and other local advertising media. See Notes 2 and 6 to Consolidated Financial Statements.

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. Approximately 45% of the requirements of *The Oakland Press* is purchased from one supplier. The *Fort Worth-Star Telegram* purchases newsprint from six suppliers, the largest of which furnishes 35% of their requirement; another furnishes 17% and four others furnish 12% each.

Broadcasting

The Company presently owns and operates five very high frequency (VHF) television stations, one ultra high frequency (UHF) television station, seven standard (AM) radio stations and six frequency modulation (FM) radio stations. Market locations, frequencies, transmitter power and other station details are set forth in tables under the captions "Properties".

In 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. In 1970 radio station, WSAZ, Huntington, West Virginia, was sold for cash. In 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 VHF television stations, WTEN, Albany, New York, and WSAZ-TV, Huntington, West Virginia, were sold. WBAP-AM, a 50,000 watt, clear-channel facility, and KSCS-FM, both serving Fort Worth — Dallas, were acquired in November 1974. See Notes 2 and 6 to Consolidated Financial Statements.

Broadcast time orders for the first half of 1976 booked at March 25, 1976 aggregated $36,708,000 as compared to $30,935,000 booked at March 27, 1975 for the 1975 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. See, however, "Federal Regulation of Broadcasting — Allocation Matters" below. 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 a station by making additional signals available to its audience. In 1972, the FCC adopted rules intended to facilitate the development of CATV while avoiding undue competitive impact on the basic structure of television broadcasting. No prediction can be made as to the extent to which CATV systems bringing additional signals into the markets of the Company's stations will develop. In addition some CATV systems have begun supplying programming that is not available on conventional television stations. See "Federal Regulation of Broadcasting — Cable and Subscription Television" for a discussion of CATV, pay cable and subscription television.

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.

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.

Renewal Matters

Broadcasting licenses may be granted for a maximum period of three years and are renewable for additional three-year periods upon application for renewal. During certain periods when a renewal application is pending, competing applicants may file for the frequency in use by the renewal applicant. Competing applicants may be entitled to a comparative hearing in competition with the renewal applicant. During the same periods, other interested parties are entitled to file petitions to deny or informal objections to the grant of license renewal. Such petitions or objections may result in a hearing if they raise a substantial and material issue as to whether grant of the renewal application would serve the public interest. In recent years, representatives of various community groups and others have filed increasing numbers of petitions to deny renewal applications of broadcasting stations, including some of the Company's stations. At present, no petitions to deny and no competing applications are pending against any of the Company's stations.

The FCC has under consideration in a pending inquiry the question of the circumstances in which existing licensees 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". In each case, renewal applications must be filed four months in advance of the expiration date, and petitions to deny and competing applications must be filed at least one month prior to the expiration date.

Ownership Matters

The Communications Act prohibits the assignment of a license or the transfer of control of a licensee without prior approval of the FCC and prohibits the Company from having any officer or director who is an alien and from having more than one-fifth of its stock owned by aliens or a foreign government.

The FCC's "multiple ownership" rules provide, in general, that a license for a radio or television station will not be granted if the applicant owns, or has a substantial interest in, another station of the same type which provides service to areas already served by the station operated or controlled by the applicant. These rules further provide that a broadcast license to operate a radio or television station will not be granted if the grant of the license would result in a concentration of control of broadcasting. The rules provide that a presumption of such concentration of control arises in the event that an entity directly or indirectly owns or has an interest in more than seven AM radio stations, more than seven FM radio stations, or more than seven television stations, of which no more than five may be VHF. The Company now owns seven AM radio stations, six FM radio stations and six television stations, of which five are VHF.

In addition, the FCC will not grant applications for station acquisitions which would result in the creation of new AM-VHF or FM-VHF combinations in the same market under common ownership. New combinations of AM-FM in the same market under common ownership are permitted. Combinations of UHF television stations with AM stations, FM stations or AM-FM combinations in the same market will be considered by the FCC on a case-by-case basis. Furthermore, radio and/or television licensees may not acquire and retain new ownership interests in daily newspapers published in the same markets served by their broadcast stations. The Company presently owns one AM-VHF combination, WKBW-AM and WKBW-TV, Buffalo. In addition, the Company presently owns daily newspapers in two markets in which it also holds radio licenses. For purposes of these rules, *The Oakland Press* and WJR-AM and WJR-FM, licensed to Detroit, are treated as in the same market, as are the *Fort Worth Star-Telegram* and WBAP-AM and KSCS-FM, licensed to Fort Worth. Under these rules, the Company would generally be barred from making acquisitions or sales which would result in the creation of new combinations, or maintenance of existing combinations, inconsistent with the foregoing rules.

Both the FCC's AM-FM-TV and newspaper-broadcasting cross-ownership rules apply prospectively except in certain situations not relevant to the Company's present holdings. However, the FCC's newspaper-broadcasting cross-ownership rules are being challenged on appeal in the United States Court of Appeals for the District of Columbia Circuit by the Department of Justice, among others. Justice argues that the FCC should apply the newspaper-broadcasting rule to require divestiture of existing combinations. There is no way to predict what action the Court will take. Nor is there any way to predict what markets might ultimately be affected if the Court does overturn this aspect of the FCC's rules.

The FCC's rules specify that power to vote or control the vote of 1% or more of the stock of a publicly-held broadcast licensee (*i.e.*, a licensee with 50 or more stockholders) is the test for determining whether an entity should have a licensee's stations attributed to it for purposes of the foregoing multiple ownership rules. Moreover, its rules permit a qualifying mutual fund to vote or control the vote of up to 3% of the stock of a publicly-held broadcast licensee before the licensee's stations will be attributed to the mutual fund. And the rules permit a bank, in its fiduciary capacity, to vote or control the vote of up to 5% of the stock of a publicly-held licensee before the licensee's stations are attributed to the bank, provided that the bank files a disclaimer of intention to control the management or policy of any publicly-held broadcast company or companies in which it holds in excess of 1% of the stock. The FCC has initiated a proceeding looking toward possible relaxation of the ownership restrictions applicable to mutual funds and certain other types of institutional investors. There is no way to predict the outcome of that proceeding.

In 1965 the FCC proposed a rule that would prohibit the acquisition of more than two television stations located in the 50 largest television markets. The proposed rule was not adopted, but the FCC announced that as a matter of policy it would require applicants seeking interests in the top 50 markets in excess of those which would have been permitted under the rule to show that the grant of their application would serve a compelling public interest. Four of the Company's stations are in the top 50 markets.

Allocation Matters

The FCC has initiated a proceeding looking into the feasibility and desirability of allocating additional VHF television stations to a substantial number of the top 100 television markets in the United States. Among the proposals being considered are those for additional allocations that could add seven VHF television signals to the Fresno market, which presently has five UHF stations, including KFSN-TV. In connection with this proceeding, the Company has filed comments with the FCC opposing the proposal, and arguing that its adoption could have serious disruptive effects on the existing UHF stations and on the quality of television service available to the Fresno area audience. There is no way to predict how this proceeding will be resolved.

The FCC has also initiated a proceeding looking toward increasing commercial VHF television service to New Jersey. Among the proposals being considered is a dual-city licensing scheme whereby some or all stations presently licensed to New York City or Philadelphia would also be licensed to a New Jersey community. Other proposals involve requiring some or all New York City or Philadelphia stations to construct and operate studio facilities in New Jersey. WPVI-TV, which is licensed to Philadelphia, has participated in this proceedings and its last application for renewal was granted subject to the outcome of the proceeding. The Company cannot predict the likely outcome of the proceeding, or the possible consequences to WPVI-TV which would result from adoption of any of the alternatives being considered.

In addition, the FCC has initiated a proceeding looking toward providing new radio service in those parts of the country which presently do not receive primary radio service. Among the possible alternatives proposed are an increase in the power of certain radio stations operating on "clear channel" frequencies, which would considerably extend their service range, or, conversely, permitting new stations to operate on these clear channel frequencies and thereby reducing the range of the clear channel stations. WJR-AM and WBAP-AM both operate on clear channels and, depending on the outcome of the proceeding, could either qualify for extension of their service range or have their service range reduced. Moreover, the Company's other radio stations could be faced with additional competition from new radio signals that might become available in their service areas as a result of FCC action in this proceeding. There is no way to predict the outcome of this proceeding or the possible consequences which FCC action might have on the Company's stations.

Cable and Subscription Television

FCC rules basically require CATV systems to carry the signals of the stations in whose service areas they operate or which are viewed by significant numbers of persons in the area served by the system (as defined by the rules); permit systems operating in the largest 50 markets to supplement the signals of the stations they are required to carry with a sufficient number of other signals so that they can supply their customers with the programs of three network-affiliated stations and three non-network, independent stations and, in any event, not less than two independent signals not available in the market; permit systems operating in the second 50 markets to supplement the signals they are required to carry with signals that would allow them to supply three full network services plus two non-network independent services and, in any event, not less than two independent signals not available in the market; and protect the right of stations in the largest 50 markets — and to a lesser extent in the second 50 markets — to retain exclusive rights to the exhibition of program material licensed to them by requiring CATV systems to delete programs offered on more distant stations when the nearer station holds the exclusive right to their broadcast. As noted above, four of the Company's stations are in the top 50 markets. Two are in the second 50 markets. In each case, the effect of the rules is to permit CATV systems operating in those markets to import the signals of non-network, independent stations from larger, distant markets that are not presently available in the stations' markets.

As noted above, some CATV systems have begun supplying additional programming to subscribers that is not originated on, or transmitted from, conventional television broadcasting stations. 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 part of a conventional free television service. FCC rules currently restrict the extent to which such subscription television operations or cable operations may provide programming of a sports, feature film or entertainment series nature, with a view to preventing the siphoning of program material from the advertiser-supported television system. The FCC has adopted revised rules which would relax these restrictions in some respects. Judicial review of this action has been sought by proponents and opponents of such cable and subscription operations. There is no way to predict how the Court will act, the way any future regulation of these operations will develop, or the competitive impact these services may have on broadcasting.

Canadian Television Problems

The Company continues to be concerned about developments in Canada that could impair the profitability of the Buffalo television operation. WKBW-TV, like other television stations near the Canadian border, derives revenues from Canadian advertisers who seek to reach the station's Canadian audiences. The Company derived approximately 2% of its 1975 revenues from Canadian advertisers. Canadian governmental authorities have sought to discourage Canadian advertisers from using the facilities of such United States stations in two ways.

The Canadian Parliament is close to adoption of legislation that would prevent Canadian advertisers from deducting as a business expense, for purposes of Canadian income tax, the cost of advertisements placed on United States stations which are aimed primarily at Canadian audiences. Such legislation would take effect upon a later proclamation by the Canadian Government. In addition, the Canadian Radio-Television Commission has sought first to encourage and now to require Canadian cable television systems that carry the signals of United States stations to delete the commercials of those stations and substitute either public service announcements or commercials supplied and sold by Canadian television stations.

Litigation concerning the commercial deletion matter, in which there had been an initial ruling adverse to the position of the Company, is still pending in the Canadian courts (see "Legal Proceedings"). In January 1976, there was also a meeting in Ottawa on the commercial deletion subject between representatives of the United States State Department and the Federal Communications Commission, on the one hand, and Canada's Department of External Affairs, Department of Communications and the Canadian Radio-Television Commission, on the other. It was agreed at that time that there will be a further intergovernmental meeting to consider alternatives to the commercial deletion policy that will be proposed by the affected United States stations.

The Company is not able to predict the ultimate result of these developments or to quantify the potential effects upon WKBW-TV. The revenues, however, which the station now derives from Canadian sources are substantial, and the total elimination of such revenues (which Canadian governmental policy currently seeks) would correspondingly be expected to have a significant effect upon the operations of WKBW-TV.

PROPERTIES

The Company occupies executive offices at 24 East 51st Street in New York City under a month-to-month lease.

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 the consumer newspapers are owned by the Company.

The Company owns all its broadcast transmitter sites except those of WBAP-AM, KSCS-FM, WPAT-FM and WJR-FM, which are under lease through July 1, 2019, November 17, 1979, December 31, 1979 and June 30, 1985, respectively. Studios and offices at Buffalo, Clifton (WPAT), Providence, Fresno, Durham, Houston, Philadelphia and Los Angeles are owned and those in Albany, Fort Worth, Detroit and New Haven are leased (1).

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(1) Such leases expire on June 30, 1976, November 8, 1979, June 30, 1985 and July 31, 1979, respectively.

Television stations owned

Stations and locations	Channel	Expiration date of FCC authorization	Network affiliation	Expiration date of network affiliation(1)
WPVI-TV .... Philadelphia, Pennsylvania	6	Aug. 1, 1978	ABC	Aug. 15, 1977
WKBW-TV .... Buffalo, New York	7	June 1, 1978	ABC	July 2, 1976
KTRK-TV .... Houston, Texas	13	Aug. 1, 1977	ABC	Apr. 2, 1977
WTNH-TV .... New Haven, Connecticut	8	Apr. 1, 1978	ABC	Jan. 1, 1977
WTVD .... Durham, North Carolina	11	Dec. 1, 1978	CBS	Sept. 11, 1977
KFSN-TV .... Fresno, California	30	Dec. 1, 1977	CBS	Feb. 28, 1978

Radio stations owned

Stations and locations	Frequency AM-Kilohertz FM-Megahertz	Power AM-Watts FM-Kilowatts	Expiration date of FCC authorization	Network affiliation(1)
KPOL .... Los Angeles, California	1540 K	50,000 Day 10,000 Night	(2)	None
WJR .... Detroit, Michigan	760 K	50,000	Oct. 1, 1976	NBC(3)
WPAT .... Paterson, New Jersey (Metropolitan New York)	930 K	5,000	(4)	None
WBAP .... Fort Worth, Texas	820 K	50,000	Aug. 1, 1977(5)	NBC(6)
WKBW .... Buffalo, New York	1520 K	50,000	June 1, 1978	None
WPRO .... Providence, Rhode Island	630 K	5,000	(7)	None
WROW .... Albany, New York	590 K	5,000 Day 1,000 Night	June 1, 1978	CBS(8)
WPAT-FM .... Paterson, New Jersey (Metropolitan New York)	93.1 M	12.6	June 1, 1978	None
WJR-FM .... Detroit, Michigan	96.3 M	50	Oct. 1, 1976	None(9)
KSCS-FM .... Fort Worth, Texas	96.3 M	100	Aug. 1, 1977(5)	None(9)
WPRO-FM .... Providence, Rhode Island	92.3 M	15	(10)	None
WROW-FM .... Albany, New York	95.5 M	9.4	June 1, 1978	None(9)
KPOL-FM .... Los Angeles, California	93.9 M	100	Dec. 1, 1977	None

(1) Although FCC regulations prevent network contracts from having terms of more than two years, such regulations permit successive renewals which are routinely granted.

(2) Regular renewal of this license has been delayed due to technical engineering problems in connection with nighttime signal protection of a non-objecting co-channel station as to which there is pending a request submitted to the FCC for a waiver which would allow a minor relaxation of technical requirements.

(3) Affiliation agreement expires December 29, 1977.

(4) Regular renewal of this license has been delayed pending completion of construction pursuant to a permit granted by the FCC allowing the station to relax certain restrictions on its nighttime radiation pattern. That grant has been appealed to the United States Court of Appeals by the licensee of WBEN-AM, Buffalo, New York. See "Legal Proceedings" elsewhere in this Prospectus.

(5) License granted conditionally, subject to completion of judicial review proceedings in connection with orders of the FCC granting license renewal to Carter Publications, Inc. for the 1971-1974 term and approving assignment of the license to the Company. See "Legal Proceedings" elsewhere in this Prospectus.

(6) Affiliation agreement expires April 1, 1976.

(7) Regular renewal of this license has been delayed pending completion of certain changes in the station's technical facilities, including installation of a new sampling system.

(8) Affiliation agreements expire December 30, 1976.

(9) CBS and NBC permit an FM station to duplicate programming covered under agreement with an associated AM station.

(10) Regular renewal of this license has been delayed pending FCC resolution of a dispute concerning interference to WTEV-TV, channel 6, New Bedford, allegedly caused by a power increase granted to WPRO-FM in 1972.

MANAGEMENT

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

Name	Age	Director since	Officer since	Title
Thomas S. Murphy*	50	1957	1958	Chairman of the Board of Directors (Chief Executive Officer)
Daniel B. Burke*	47	1967	1962	President and Director (Chief Operating Officer)
Joseph P. Dougherty	51	1967	1959	Executive Vice President, President of Broadcasting Division and Director
John B. Fairchild	48	1968	1968	Executive Vice President, Chairman of the Board of Fairchild Publications, Inc. and Director
John B. Sias	49		1975	Executive Vice President, President of Publishing Division

Name	Age	Director since	Officer since	Title
William Kopta	56		1969	Vice President-Finance and Treasurer
Gerald Dickler°	63	1954	1954	Secretary and Director
Robert W. Gelles	52		1963	Controller, Assistant Secretary and Assistant Treasurer
Amon G. Carter, Jr.	56	1975		Director, President of Carter Publications Division
Edgar W. B. Fairchild	70	1968		Director
J. Floyd Fletcher	61	1957		Director
William S. Lasdon°	80	1957		Director
John H. Muller, Jr.°	51	1971		Director
Lowell Thomas	83	1954		Director

° Member of the Executive Committee.

Messrs. Murphy, Burke, Dougherty, John B. Fairchild, Kopta and Gelles have all been actively associated with the Company for more than five years and such association has been their principal occupation. Mr. Sias had been with Metromedia, Inc. as Group Vice President prior to joining the Company in 1971. Mr. Carter had been President of Carter and Publisher of the *Fort Worth Star-Telegram* for more than five years. 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, Lawler, Kent & Howley, general counsel for the Company.

Mr. Edgar W. B. Fairchild, prior to retirement in 1970, was Chairman of the Board of Fairchild. Mr. Fletcher is President of Aviation and Land Development Co. and until his retirement in 1967 had been General Manager of WTVD, Durham, N. C. Mr. Lasdon is Vice Chairman of the Board, Warner-Lambert Co. Mr. Muller is Chairman and President of General Housewares Corp. Mr. Thomas is an author, motion picture producer and broadcast newscaster. All directors are elected annually.

Remuneration of Officers and Directors

The following information is furnished as to all direct remuneration paid by the Corporation during 1975 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	$ 260,000
Daniel B. Burke	President and Chief Operating Officer	225,000
Joseph P. Dougherty	Executive Vice-President	180,000
John B. Fairchild	Executive Vice-President	125,000
Amon G. Carter	President and Publisher of *Fort Worth Star-Telegram*	85,000
All directors and officers as a group (55 in number, including those named above) (1)		3,849,295(2)

(1) Includes officers of subsidiaries of the Company.

(2) Exclusive of payments of $314,210 (on an accrual basis) to the law firm of Hall, Dickler, Lawler, Kent & Howley, of which Mr. Gerald Dickler, Secretary and a director of the Company, is a member.

Amon G. Carter, Jr. has an employment contract with the Company providing for his employment through December 31, 1981 at a salary of $85,000 per year. As a result of the acquisition by the Company in 1974 of stock of Carter Publications, Incorporated for a purchase price of $75,500,000, payable $35,000,000 in cash and $40,500,000 evidenced by its promissory notes, payable in varying quarterly installments commencing November 1, 1975 and ending August 1, 1982, bearing interest at the rate of 6% per annum, Mr. Carter, a stockholder of Carter, received as his share of the purchase price, $6,173,099 cash and notes of the Company aggregating $7,567,020. Immediate members of Mr. Carter's family are the beneficiaries of certain trusts which received as their share of the purchase price $1,549,221 cash and notes of the Company aggregating $1,897,830.

John B. Fairchild has an employment contract with Fairchild Publications, Inc. providing for his employment for a period of 10 years ending in 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 $30,000 per annum.

Under the Corporation'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 of Individual or Identity of Group	Amount set aside or accrued during 1975	Aggregate amount set aside or accrued to date
Thomas S. Murphy	$ 30,213	$ 138,853
Daniel B. Burke	26,013	118,484
Joseph P. Dougherty	20,613	107,014
All directors and officers as a group (27 in number including the above)	269,659	1,229,084

James P. Arcara, a vice president of the Company, became indebted to it in 1973 in the amount of $20,141.68 representing the profit inuring to the Company as a result of his sale and purchase of 2,000 shares of the Common Stock of the Company within a six month period in violation of Section 16(b) of the Securities Exchange Act of 1934. A judgment has been entered in the United States District Court for the Southern District of New York and as at February 27, 1976 Mr. Arcara remained indebted in the amount of $11,537.18, which amount is evidenced by a promissory note issued by Mr. Arcara to the Company and accepted by it, bearing interest at the rate of 6% per annum and payable in equal, bi-weekly installments with a final payment due September 8, 1978.

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 27, 1976, officers and directors of the Company, as a group, were known by the Company to beneficially own 683,119 shares (9.0%) of the outstanding Common Stock.

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. Each of the Selling Shareholders has a present intention to sell his shares of Common Stock being offered hereby.

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
Philip R. Beuth	7,800	3,000	4,800
Joseph P. Dougherty	26,340	10,000	16,340
Edgar W. B. Fairchild	85,500	20,548	64,952
John B. Fairchild	27,777	5,000	22,777
Robert W. Celles	500	500	—
William Kopta	3,500	1,000	2,500
Elizabeth Martindale	117,700	20,000	97,700
William Orr	150	150	—
	269,267	60,198	209,069

STOCK OPTION PLANS

As of February 27, 1976 there were outstanding, in connection with Stock Option Plans adopted by the Company, options covering an aggregate of 242,933 shares of Common Stock expiring between September 22, 1980 and October 5, 1986, exercisable at purchase prices ranging from $18.25 to $38.19 per share with an adjusted weighted average exercise price per share of $29.61.

As of February 27, 1976 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
Thomas S. Murphy	30,500	9/22/80 — 4/ 9/84	$33.95
Daniel B. Burke	21,250	9/22/80 — 4/ 9/84	34.04
Joseph P. Dougherty	14,100	9/22/80 — 4/ 9/84	33.25
John B. Fairchild	3,500	9/22/80	28.75
All directors and officers as a group (44 in number including those named above) (1)	197,025	9/22/80—10/5/86	30.08

(1) Includes officers of subsidiaries of the Company.

The Company is registering hereby 40,000 shares of Common Stock issuable on exercise of options which may be granted under a proposed amendment to the Company's 1972 Employee Stock Option Plan (the "1972 Plan") which is subject to the approval of shareholders at the annual meeting on May 5, 1976. The Company has also previously registered 267,445 shares of Common Stock issuable on exercise of outstanding modified stock options and amended stock options (as hereinafter defined under "Types of Options") and issuable on exercise of outstanding options granted under the Company's 1970 Qualified Stock Option Plan and the 1972 Plan.

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, March 26, 1974, March 10, 1975 and March 30, 1976	May 4, 1972, amended May 3, 1973, May 1, 1974 and May 6, 1975 and further amendment to be acted on at the annual meeting on May 5, 1976

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 Stock Option Plans, copies of which have been filed by the Company with the Securities and Exchange Commission.

Securities Subject to the Stock Option Plans

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 Stock Option Plan are as follows:

Title of plan	Total shares reserved for issuance	Shares subject to options granted and not exercised as of February 27, 1976	Shares remaining available for grant of options
1965 Qualified Stock Option Plan	2,950	2,950	-0-
1967 Qualified Stock Option Plan	11,660	11,660	-0-
1968 Qualified Stock Option Plan	71,889	71,889	-0-
1970 Qualified Stock Option Plan	11,796	11,796	-0-
1972 Employee Stock Option Plan	165,000(1)	144,638	20,362(1)

(1) Subject to approval of shareholders at the May 5, 1976 annual meeting the 1972 Plan is being amended to provide for an increase of 40,000 in the number of shares that may be issued.

Upon lapse of any option granted under any of the Qualified Stock Option Plans, shares reserved for issuance upon exercise of 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 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 Stock Options 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 Stock Option 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, its Executive Committee or a Stock Option Committee appointed by the Board, 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 1972 Plan, may determine, in its discretion, the number of shares which are to be the subject of an option granted to any individual, taking into account such factors as it deems relevant under the 1972 Plan, including limitations as to the maximum number of shares with respect to which options may be granted under the 1972 Plan and, with respect to a "qualified stock option", the ownership by the grantee immediately after receiving such option of more than five percent of the total combined voting power of securities of the Company or any subsidiary. Option agreements awarded under the 1972 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 ("nonqualified stock options") or both together which may be exercisable in the alternative ("tandem stock options"). The Internal Revenue Service has ruled that no part of a tandem stock 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" hereunder).

At their annual meeting in 1974 the shareholders of the Company approved, subject to acceptance of the optionees, modifications to certain of those of the Company's outstanding stock options which were granted prior to February 1, 1974.

As a result of those modifications, each holder of a qualified stock option was permitted to rescind his option and have it replaced with a new nonqualified stock option for the purchase of the same number of shares. The new option permits 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 new option contains essentially the same terms and provisions as the rescinded option except that the new option permits exercise until a date eleven years from the date of the grant of the original qualified stock option and the exercise price of the new option is (i) $36.125 per share if the exercise price of the rescinded option was equal to or in excess of $28.75 per share or (ii) $28.75 per share if the exercise price of the rescinded option was less than $28.75 per share. The effect of these modifications, whether or not they were accepted by an individual holder of a qualified option, was to convert such option into a nonqualified option.

Each holder of a nonqualified or tandem stock option granted prior to February 1, 1974 was permitted to accept a modification of his option which provided for a change in the exercise price to $36.125 per share and a cancellation of the qualified stock option granted as part of the tandem stock option.

All such modified stock options are hereinafter referred to as "modified stock options". Each of the modified stock options is a nonqualified stock option within the meaning of Section 422(b).

The holders of an aggregate of 63,920 qualified stock options accepted the modifications and rescinded their qualified stock options and accepted modified stock options with an exercise price of $28.75 per share. The holders of an aggregate of 141,325 qualified, nonqualified and tandem stock options accepted the modifications and received modified stock options with an exercise price of $36.125 per share.

At their annual meeting in 1975 the shareholders of the Company approved a proposal which allowed each holder of a modified stock option with an exercise price of $36.125 per share (other than members of the Board of Directors of the Company) the opportunity to accept further amendments to his modified stock option. The amended stock option contains essentially the same terms and provisions as the modified stock option except that the new option permits exercise at a revised price of $25.00 per share, permits exercise until a date eleven years from March 10, 1975 and is exercisable commencing one year from such date at cumulative annual increments of 25% of the number of shares covered by such option.

The holders of modified stock options to purchase an aggregate of 95,525 shares, at an exercise price of $36.125 per share, were eligible to accept the amendments. All of such holders, except one with options for 250 shares, accepted the amendments. All such amended stock options with the revised exercise price of $25.00 per share are hereinafter referred to as "amended stock options". Each of the amended stock options is a nonqualified stock option within the meaning of Section 422(b). For a discussion of the effect of the amendments to the modified stock options on the income of the Company, see "Accounting Treatment of Amended Stock Options" hereunder.

Exercise Price

The per share price payable on exercise of options granted under all of the Stock Option 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 which the option was granted. However, certain of the stock options granted prior to February 1, 1974 have been modified to change their per share exercise price to less than the fair market value at the date of grant as described at "Types of Options".

Term of Options

Each qualified stock option granted must be exercised within five years of the date of grant. Each modified stock option granted must be exercised within eleven years from the date of grant and each amended stock option granted must be exercised within eleven years from March 10, 1975 (the "Meeting Date"). Each option, other than amended stock options, whether qualified or nonqualified, is exercisable in cumulative annual increments of 25% of the number of shares covered by the option. An amended stock option is exercisable commencing one year from the Meeting Date, in cumulative annual increments of 25% of the number of shares covered by such option and, accordingly, is exercisable in full commencing with the fourth anniversary of the Meeting Date. Nonqualified stock options granted under the 1972 Plan may be exercised within eleven 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.

An option granted under the 1965, 1967, 1968 or 1970 Plans and a modified stock option or an amended stock option originally granted prior to January 17, 1972, cannot be exercised more than three months from the date of optionee's termination of employment except that if such termination is the result of the optionee's death, the option is exercisable for twelve months thereafter. Options granted under the 1972 Plans, modified stock options and amended stock options, originally granted on or subsequent to January 17, 1972, cannot be exercised more than three months after the date of the optionee's termination of employment for any reason.

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. No such guarantees have been made.

Federal Income Taxes

The Federal income tax consequences of qualified and nonqualified 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 "Accounting Treatment of Amended Stock Options" hereunder). The taxable ordinary income realized by the holder upon exercise of a nonqualified option will qualify as "earned income", will constitute wages subject to withholding, and will be eligible for the maximum rate limitation of 50% as provided by the Internal Revenue Code.

Exercise of Options

No qualified stock option may be exercised while the optionee holds an outstanding, unexercised, qualified stock option previously granted at a higher exercise price. 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.

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, May 14, 1974 and May 14, 1975 an additional 40,000, 25,000 and 25,000 shares, respectively, covering options under amendments to the 1972 Plan, were effectively registered. Such shares if and when acquired, together with an additional 40,000 shares, if and when acquired upon exercise of options which may be issued under a proposed amendment to the 1972 Plan and 86,499 shares, if and when acquired upon exercise of modified stock options and amended stock options 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. Subject to approval of shareholders at the May 5, 1976 annual meeting the termination date of the 1972 Plan will be extended to May 31, 1982.

Option agreements under the Qualified Stock Option 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.

Administration

Options under the Stock Option 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 1972 Plan. All decisions by the Committee shall be made by a majority thereof and shall be conclusive.

Accounting Treatment of Amended Stock Options

As a result of the amendment to certain of those of the modified stock options revising the exercise price from $36.125 per share to $25.00 per share as described at "Types of Options", the Company is required to charge its income with compensation expense calculated by multiplying $9.625, the difference between (i) $34.625, the quoted market price of the Company's Common Stock on the New York Stock Exchange on March 10, 1975, the date the amendments were approved by the Board of Directors of the Company and (ii) $25.00, by 95,275 (the number of shares amended). This amount will be reduced by approximately one-half to take into account the Federal income tax benefit which the Company would expect to realize if the amended stock options were exercised. See the discussion concerning the Federal income tax consequences of the exercise of a nonqualified stock option under the caption "Federal Income Taxes" herein. Such expense is being charged to income ratably over the four-year period following the Meeting Date.

The net expense to be taken into account, calculated as set forth above, is approximately $460,000. This amount is being accounted for over the four-year period beginning March 10, 1975. Thus, the Company made a net charge to income of an additional $93,000 in 1975, and will be required to make charges of an additional $115,000 in each of 1976, 1977 and 1978 and an additional $22,000 in 1979. Assuming the number of outstanding shares of Common Stock of the Company remains unchanged, these net charges to income would amount to less than $.02 per share in any of these years.

LEGAL PROCEEDINGS

Radio Stations WBAP-AM and KSCS-FM

On November 28, 1975, the United States Court of Appeals for the District of Columbia Circuit affirmed orders of the FCC which had granted the applications of Carter for renewal of its broadcast licenses for radio stations WBAP-AM and KSCS-FM, Fort Worth, Texas, and assignment thereof to the Company. *Civic Telecasting Corporation v. FCC*, 523 F. 2d 1185 (1975). The appeal had been filed by Civic Telecasting Corporation ("Civic"), which had petitioned to deny both the applications for renewal and the applications for assignment before the FCC. In a petition for a writ of certiorari, dated February 23, 1976, Civic sought Supreme Court review of the affirmance of the United States Court of Appeals. By letter of February 26, the Office of the Clerk of the Supreme Court returned that petition because of Civic's failure to comply with certain procedural rules of the Supreme Court. The time for refiling that petition has not expired.

If Civic refiles its petition for a writ of certiorari, if the Supreme Court grants the writ and thereby agrees to review the decision of the Court of Appeals, and if the Supreme Court were to overturn the Court's decision and the orders of the FCC granting the renewal and assignment applications, it is believed that the matters would be remanded to the FCC for further hearings and consideration. If the assignment of the broadcasting licenses to the Company were ultimately set aside, the assets of radio stations WBAP-AM and KSCS-FM would be returned to the stockholders of Carter or their nominee and certain notes issued to the stockholders of Carter currently held in escrow would be returned to the Company.

Radio Station WPAT-AM

Radio station WPAT-AM, Paterson, New Jersey, has been granted a construction permit by the FCC allowing it to relax certain restrictions on its nighttime radiation pattern. That grant has been appealed to the United States Court of Appeal for the District of Columbia Circuit by the licensee of WBEN-AM, Buffalo, New York, which broadcasts on the same frequency as does WPAT-AM. *WBEN, Inc. v. FCC,* No. 74-1601. The appellant challenges the FCC's determination that effectuation of the grant of the WPAT-AM construction permit would not result in objectionable interference to WBEN-AM's nighttime service. Appellant had, before the FCC, sought, *inter alia,* to have the FCC order WPAT-AM to reduce its nighttime power.

Television Station WKBW-TV

Litigation to which the Company is a party, concerning the commercial deletion matter referred to under the caption "Properties", is pending in the Canadian courts. That litigation includes suits against a Toronto cable company which has engaged in deletion of some commercials on the channels of WKBW-TV and two other Buffalo television stations, as well as an appeal from an order of the Canadian Radio-Television Commission which authorized the deletion practiced by the same Toronto cable company. In the latter case, Canada's Federal Court of Appeal ruled in favor of the Canadian Radio-Television Commission and against the position of the Company. The Supreme Court of Canada has granted leave to appeal from the judgment of the Federal Court of Appeal, and it is expected that the case will be heard in the Supreme Court of Canada this summer.

DESCRIPTION OF SECURITIES

The securities being registered hereby for sale by the Selling Shareholders and for issuance and delivery upon exercise of stock options which may be granted pursuant to a recent amendment to the Company's 1972 Employee Stock Option Plan, 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, and 600,000 shares of $1.00 par value Preferred Stock. 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 preferential dividend rights of the Preferred Stock, none of which is presently issued and outstanding. 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 shareholders, 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 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, Lawler, Kent & Howley, 460 Park Avenue, New York, N. Y. 10022. Gerald Dickler, Esq., a member of the firm of Hall, Dickler, Lawler, Kent & Howley is also a director and Secretary of the Company, and beneficially owns an aggregate of 47,970 shares of Common Stock of the Company.

EXPERTS

The consolidated financial statements and schedules of Capital Cities Communications, Inc. 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.

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.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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. at December 31, 1975 and 1974, the related consolidated statements of income and changes in financial position for the five years ended December 31, 1975 and the related consolidated statement of stockholders' equity for the three years ended December 31, 1975. 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 Communications, Inc. at December 31, 1975 and 1974 and the consolidated results of operations and changes in financial position for the five years ended December 31, 1975, in conformity with generally accepted accounting principles applied on a consistent basis during the period.

ARTHUR YOUNG & COMPANY

New York, New York
February 27, 1976

CAPITAL CITIES COMMUNICATIONS, INC.

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

(Thousands of Dollars)

	Year Ended December 31,				
	1975	1974	1973	1972	1971
Funds Provided					
Operations					
Income before extraordinary item	$25,402	$22,025	$20,146	$17,015	$ 13,129
Depreciation and amortization	5,918	3,359	2,875	2,783	2,945
Other non-cash expense	778	449	194	369	250
Total from operations	32,098	25,833	23,215	20,167	16,324
Extraordinary item —					
Sale of television stations (Note 2)	—	—	—	—	32,032
Notes payable issued on acquisitions (Notes 2 and 6)	—	40,500	—	—	82,297
Common stock issued under stock options (Note 7)	72	52	172	2,861	911
Common stock issued under warrants	—	—	—	1,500	—
Increase in unearned subscription revenue	690	696	346	1,113	93
Other, net	57	349	3,478	3,506	1,007
	32,917	67,430	27,211	29,147	132,664
Funds Applied					
Acquisitions (Note 2)					
Publishing properties	—	43,725	—	1,300	—
Broadcasting properties	—	10,200	—	—	98,823
Investments and notes receivable	—	8,813	—	—	8,980
Deposits and costs	—	(1,136)	1,136	—	(3,979)
Additions to fixed assets	5,546	3,206	2,859	2,465	1,351
Reduction of long-term notes payable (Note 6)	16,275	11,663	12,125	17,913	25,073
Dividends	413	123	138	210	308
	22,234	76,594	16,258	21,888	130,556
Increase (Decrease) in Working Capital	$10,683	$(9,164)	$10,953	$ 7,259	$ 2,108
Working Capital Changes — increase (decrease)					
Cash and short-term cash investments	$14,980	$(3,112)	$ 7,133	$(6,221)	$ 20,972
Accounts and notes receivable	753	5,390	(176)	3,463	5,884
Other current assets	(1,108)	16	493	423	4,800
Taxes on income	278	(6,300)	(1,276)	2,594	(5,467)
Notes payable	(4,612)	(1,538)	6,000	8,792	(20,725)
Other current liabilities	392	(3,620)	(1,221)	(1,792)	(3,356)
Increase (Decrease) in Working Capital	$10,683	$(9,164)	$10,953	$ 7,259	$ 2,108

See accompanying notes

CAPITAL CITIES COMMUNICATIONS, INC.

CONSOLIDATED BALANCE SHEET
(Thousands of Dollars)

ASSETS

	December 31, 1975	December 31, 1974
Current Assets		
Cash	$ 4,049	$ 2,955
Treasury bills and notes and other short-term investments	43,676	29,790
Accounts and notes receivable (less allowance for doubtful accounts of $1,296 in 1975 and $1,194 in 1974)	27,637	26,884
Film contract rights	3,579	4,517
Prepaid expenses	3,691	3,861
Total current assets	82,632	68,007
Property, Plant and Equipment, at cost		
Land and land improvements	8,587	8,513
Buildings	22,681	21,607
Broadcasting, printing and other equipment	50,200	46,711
	81,468	76,831
Less accumulated depreciation	30,573	26,051
Property, plant and equipment, net	50,895	50,780
Intangible Assets (net of accumulated amortization of $1,033 in 1975 and $213 in 1974)	159,593	160,396
Marketable Equity Securities, at cost (Note 5)	6,971	6,962
Notes Receivable and Other Investments, at cost	11,363	11,437
Film Contract Rights	3,674	3,298
	$315,128	$300,880

LIABILITIES AND STOCKHOLDERS' EQUITY

	1975	1974
Current Liabilities		
Accounts payable	$ 4,920	$ 4,109
Accrued compensation	2,756	3,419
Accrued expenses	5,622	5,690
Film contracts	3,944	4,416
Taxes on income	14,568	14,846
Notes payable due within one year	16,275	11,663
Total current liabilities	48,085	44,143
Deferred Compensation	1,179	892
Deferred Income Taxes (Note 4)	8,011	7,782
Unearned Subscription Revenue	5,476	4,786
Film Contracts	4,052	3,738
Notes Payable Due After One Year (Note 6)	59,404	75,679
Total liabilities	126,207	137,020
Stockholders' Equity (Note 7)		
Convertible preferred stock, $1 par value (600,000 shares authorized)	—	238
Common stock, $1 par value (20,000,000 shares authorized)	7,687	7,208
Additional paid-in capital	8,320	8,489
Retained earnings	172,914	147,925
Total stockholders' equity	188,921	163,860
	$315,128	$300,880

See accompanying notes

CAPITAL CITIES COMMUNICATIONS, INC.

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

(Thousands of Dollars)

Three Years Ended December 31, 1975

	Preferred Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Total
Balance at January 1, 1973	$ 302	$ 7,074	$ 8,229	$106,015	$121,620
Net income for 1973	—	—	—	20,146	20,146
4,284 shares of common stock issued on exercise of employee stock options	—	4	168	—	172
85,766 shares of common stock issued on conversion of preferred stock	(43)	86	(43)	—	—
Tax benefit on early disposition of option shares by employees	—	—	106	—	106
Cash dividends on preferred stock	—	—	—	(138)	(138)
Balance at December 31, 1973	259	7,164	8,460	126,023	141,906
Net income for 1974	—	—	—	22,025	22,025
1,975 shares of common stock issued on exercise of employee stock options	—	2	50	—	52
41,712 shares of common stock issued on conversion of preferred stock	(21)	42	(21)	—	—
Cash dividends on preferred stock	—	—	—	(123)	(123)
Balance at December 31, 1974	238	7,208	8,489	147,925	163,860
Net income for 1975	—	—	—	25,402	25,402
2,750 shares of common stock issued on exercise of employee stock options	—	3	69	—	72
475,824 shares of common stock issued on conversion of preferred stock	(238)	476	(238)	—	—
Cash dividends					
Preferred stock	—	—	—	(29)	(29)
Common stock ($.05 per share)	—	—	—	(384)	(384)
Balance at December 31, 1975	$ —	$ 7,687	$ 8,320	$172,914	$188,921

See accompanying notes

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Accounting Policies

Principles of Consolidation — The consolidated financial statements include the accounts of all significant subsidiaries.

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 at 150% and 200% of straight-line rates) for tax purposes. 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 and records	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 exceeded the values assigned to net tangible assets. In the opinion of management there has been no diminution of value of the related properties. However, certain intangible assets are being amortized over forty-year periods in accordance with *Accounting Principles Board Opinion No. 17.* Intangible assets of $127,799,000, arising from earlier purchases, are not being amortized.

Film Contract Rights — 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 1981.

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 Federal income taxes.

2. Acquisitions and Sales

Purchases and sales — 1971 — In April 1971, 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. Concurrently with this transaction, assets related to television stations WTEN, Albany, New York and WSAZ-TV, Huntington, West Virginia were sold. The consolidated statement of income includes operations of the properties for their respective periods of ownership.

Merger — 1972 — The acquisition of Belleville News-Democrat, Inc. in June 1972 in exchange for 128,000 shares of the Company's common stock has been accounted for as a pooling of interests.

Purchase — 1974 — In November 1974, the Company and an unrelated broadcasting company acquired all of the outstanding capital stock of Carter Publications, Inc. for an aggregate consideration of $110,500,000, including $35,000,000 paid by the other broadcasting company for shares specifically related to certain television properties.

Properties acquired by the Company include the *Fort Worth Star-Telegram* as well as WBAP-AM and KSCS-FM, both licensed to Fort Worth. The acquisition of these properties has been accounted for as a purchase, with the results of operations included for the period of ownership. Had the closing taken place at the beginning of 1974, consolidated net revenues, net income and net income per share for the year 1974, on a pro forma basis, would have been $165,447,000, $22,514,000 and $2.93, respectively.

3. Employees' Profit-Sharing and Pension Plans

The Company has a qualified profit-sharing plan for certain 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 in 1975 through 1971 were $1,163,000, $936,000, $946,000, $939,000 and $556,000, respectively. Other employees of the Company and its subsidiaries, not covered by the profit-sharing plan, are covered by pension plans. In connection with these plans, contributions of $512,000, $261,000, $25,000, $299,000 and $220,000 were charged to expense in 1975 through 1971, respectively. Provision is made for normal cost and amortization of prior service cost over periods ranging from 20 to 40 years. The market value of the pension funds is in excess of the actuarially computed value of vested benefits. At the latest valuation date, unfunded past service costs aggregated $2,600,000.

4. Income Taxes

Pursuant to Section 1071 of the Internal Revenue Code, the Federal Communications Commission issued a tax certificate to the Company in connection with the 1971 sale of television station WTEN, Albany, New York, deferring taxes of approximately $5,125,000 until disposition of the replacement television station. Deferred income taxes result primarily from this and from the excess of tax over financial accounting depreciation. The Company's effective Federal income tax rates (Federal income tax expense divided by income before income taxes and extraordinary item less state and local income taxes) did not vary materially from the statutory rate in 1975 through 1971.

5. Marketable Equity Securities

Marketable equity securities were carried at an aggregate cost of $6,971,000 and $6,962,000 and had an aggregate market value of $8,569,000 and $6,464,000 at December 31, 1975 and 1974, respectively. At December 31, 1975 there were aggregate unrealized gains of $1,776,000 and unrealized losses of $178,000.

6. Notes Payable

Notes payable at December 31, 1975 are due as follows (000's omitted):

	Total	To Triangle Financial, Inc.	To Former Carter Shareholders
Payable during:			
1976 (current year)	$16,275	$10,125	$ 6,150
1977	16,275	10,125	6,150
1978	16,275	10,125	6,150
1979	12,492	6,342	6,150
1980	6,150		6,150
1981	5,512		5,512
1982	2,700		2,700
	$75,679	$36,717	$38,962
Date of final payment		Jan. 5, 1979	Aug. 1, 1982

The Triangle notes payable relate to the purchase of broadcasting properties and bear interest at prime rate (7¼% at year end) or 5%, whichever is higher. The Carter notes payable relate to the purchase of newspaper and radio broadcasting properties and bear interest at 6%. At December 31, 1975, broadcasting licenses and other intangibles with net book values of approximately $103,000,000 and fixed assets and other assets with net book values of approximately $49,000,000 were pledged as collateral under agreements related to the Triangle and Carter notes.

7. Stock Options

The Company has stock option plans under which certain key personnel have been given the right to purchase shares of common stock over an eleven-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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)

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

	Shares available for grant	Options granted — Option price — Per share	Options granted — Option price — In total	Options granted — Number of shares	Market value at date of grant and when exercised (a) — Per share	Market value at date of grant and when exercised (a) — In total
Balance January 1, 1973	30,000	$21.38 to $61.50	$6,561,715	173,816	$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	172,120	(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
Authorized	25,000			—		
Granted	(14,500)	$18.25 to $30.31		14,500		
Cancelled	2,450	$21.38 to $61.50		(3,875)		
Exercised	—	$21.38 to $27.94	51,895	(1,975)	$33.38 to $36.50	71,244
Balance December 31, 1974	24,200	$18.25 to $36.13(c)	7,435,391	223,495(b)	$18.25 to $36.13	7,435,391
Authorized	25,000			—		
Granted	(31,450)	$25.50 to $38.19		31,450		
Cancelled	1,700	$24.75 to $30.13		(7,350)		
Exercised	—	$21.38 to $28.75	71,469	(2,750)	$36.25 to $40.75	107,531
Balance December 31, 1975	19,450	$18.25 to $38.19(d)	7,245,050	244,845(b)	$18.25 to $38.19	8,137,047

(a) The proceeds received by the Company from exercise of options are credited directly to stockholders' equity. No charges have been made against income in accounting for the options, except as described in (d) below.

(b) At December 31, 1975, 1974, and 1973, options were exercisable for 93,759, 138,113 and 105,158 shares, respectively.

(c) On approval of stockholders in 1974, stock options for 205,245 shares were rescinded and replaced with nonqualified options exercisable at $28.75 and $36.13 for a term of eleven years from the original date of grant.

(d) On approval of stockholders in 1975, stock options for 95,275 shares with exercise prices of $36.13, as modified, were further modified to permit exercise at $25.00 for a term of eleven years from the 1975 modification date. As a result of this modification $187,000 was charged to income in 1975.

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

	Number of shares	Option price		Market value at date options became exercisable	
		Per share	In total	Per share	In total
Year ended December 31,					
1973	43,386	$21.38 to $61.50	$1,606,753	$30.50 to $60.44	$1,951,878
1974	35,654	$21.38 to $36.13	$1,229,165	$20.75 to $38.13	$1,108,772
1975	14,687	$18.25 to $36.13	$ 504,726	$30.69 to $41.44	$ 519,743

8. Income Per Share

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

	Year ended December 31,				
	1975	1974	1973	1972	1971
Common stock and common stock equivalents					
Average common shares outstanding during the period ..	7,508	7,190	7,124	6,731	6,493
Average common share equivalents attributable to convertible preferred shares outstanding during the period	177	493	555	654	746
Average incremental common share equivalents attributable to stock options issued after May 31, 1969	48	5	38	57	41
Total common stock and common stock equivalents	7,733	7,688	7,717	7,442	7,280
Additional incremental shares attributable to common stock options and warrants	23	—	2	255	345
Total number of shares assuming full dilution	7,756	7,688	7,719	7,697	7,625

9. Supplementary Income Statement Information

	Year ended December 31,		
	1975	1974	1973
	(000's omitted)		
Maintenance and repairs	$1,311	$1,012	$ 842
Depreciation of property, plant and equipment	5,098	3,212	2,842
Amortization of intangible assets	820	147	33
Taxes other than income taxes:			
Payroll taxes	2,341	1,804	1,590
Real estate and other local taxes	1,505	827	843
Rents	740	652	653
Royalties	1,817	1,545	1,513
Advertising costs	1,862	600	659

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	$ 561
Legal fees and expenses	5,000
Printing cost	25,000
Accounting fees	2,000
Transfer agent's fees and expenses	1,000
Miscellaneous expenses	439
Total	$34,000

* 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, Lawler, Kent & 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 annual reports on Form 10-K filed with the Commission and is hereby incorporated by reference.

Item 26. Recent Sales of Registrant's Securities.

On November 8, 1974 in connection with the acquisition by the Company of 68.5% of the outstanding capital stock of Carter Publications, Incorporated ("Carter"), the Company issued to the stockholders of Carter its Series A Promissory Notes aggregating $30,500,000 and its Series B Promissory Notes aggregating $10,000,000. There were no underwriters in connection with the issuance of the Company's Series A and Series B Promissory Notes to the stockholders of Carter. Such securities 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.

	Per Cent Owned	State of Incorporation
Fairchild Publications, Inc.	100	New York
Oakland Press Company	100	Michigan
Belleville News-Democrat, Inc.	100	New York
Citizen-Journal, Inc.	100	Texas
Tribune Printing Company, Inc.	51	Texas

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 broadcasting operations.

Item 29. Indemnification of Directors and Officers.

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, therefor, 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 Consolidated Financial Statements" in the Prospectus.

Not included in the Prospectus.

Report of certified public accountants.

Schedules II, V, VI, VII and XII for the three years ended December 31, 1975.

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 do not have minority equity interests and/or indebtedness to any person other than the Company.

(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.(a) —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, 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, 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.*****

(q) — Fifth Amendment dated April 22, 1974 to Sales Agreement, 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 November, 1974, hereby incorporated by reference.******

(r) — Sixth Amendment dated November 8, 1974 to Sales Agreement, 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 November, 1974, 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, 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) — Bylaws of the Company as currently in effect.***

4.(a) — 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, hereby incorporated by reference.

(b) — A specimen copy of the Series A Promissory Note issued by the Company to the Carter stockholders.******

(c) — A specimen copy of the Series A Promissory Note issued by the Company to the Carter stockholders.******

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, 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, 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, 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, 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, Lawler, Kent & Howley as to the securities being registered.*

7. — Not applicable.

8. — Not applicable.

9. — The opinion of Messrs. Hall, Dickler, Lawler, Kent & Howley, to be filed as Exhibit 6 to the Registration Statement, hereby incorporated by reference.

10. — Not applicable.

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

(ii) — Amendment to Profit Sharing Plan of the Company Effective December 19, 1972.*

(iii) — Amendment to Profit Sharing Plan of the Company Effective December 19, 1973.*

(iv) — Amendment to Profit Sharing Plan of the Company Effective May 23, 1974.*

(v) — Amendment to Profit Sharing Plan of the Company Effective May 8, 1974.*

(b) — Pension Plan of Fairchild.***

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

(d) (i) — Carter Division Basic Retirement Plan, as amended.*

(ii) — Carter Division Supplemental Retirement Plan, as amended.*

12. — Not applicable.

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

(b) — Exhibits 2(b)-(r) to this Registration Statement as described above are hereby incorporated by reference.

(c) — Employment Agreement between Amon G. Carter, Jr. and the Company dated October 30, 1974.******

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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.

***** Filed as an Exhibit to Registration Statement on Form S-1 under the Securities Act of 1933 bearing No. 2-50593 on March 20, 1974, hereby incorporated by reference.

****** Filed as an Exhibit to Registration Statement on Form S-1 under the Securities Act of 1933 bearing No. 2-53200 on March 31, 1975, 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 (the "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.

f. to deliver or cause to be delivered with the prospectus to each employee to whom the prospectus is sent or given a copy of the issuer's annual report to stockholders for its last fiscal year, unless such employee otherwise receives a copy of such report as a stockholder of the issuer. If the last fiscal year of the issuer has ended within 90 days prior to the use of the prospectus, the annual report for the preceding fiscal year may be so delivered, but in such case the annual report for the last fiscal year will be furnished promptly to each such employee when available.

g. to transmit or cause to be transmitted to all employees participating in the plan, who do not otherwise receive such material as stockholders of the issuer, at the time and in the manner such material is sent to its stockholders, copies of all reports, proxy statements and other communications distributed to its stockholders generally and to transmit to the Commission for its information, copies of all such material which is not otherwise furnished to or filed with the Commission pursuant to any other requirement of the Commission. Copies of such material transmitted to the Commission pursuant to this undertaking shall not be deemed to be "filed" as a part of the registration statement.

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 30th day of March, 1976.

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	March 30, 1976
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	
.... (Amon G. Carter, Jr.)	Director	
.... (Edgar W. B. Fairchild)	Director	
.... (J. Floyd Fletcher)	Director	
WILLIAM S. LASDON (William S. Lasdon)	Director	
JOHN H. MULLER, JR. (John H. Muller, Jr.)	Director	
.... (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. at December 31, 1975, 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 27, 1976

CONSENT OF CERTIFIED PUBLIC ACCOUNTANTS

We consent to the references to our firm under the captions "Consolidated Statement of Income" and "Experts" and to the use of our reports dated February 27, 1976 in the Registration Statement (Form S-1) and related Prospectus of Capital Cities Communications, Inc. for the registration of 100,198 shares of its common stock.

ARTHUR YOUNG & COMPANY

New York, New York
March 30, 1976

CONSENT OF COUNSEL

The consent of Messrs. Hall, Dickler, Lawler, Kent & 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, Lawler, Kent & Howley.

CAPITAL CITIES COMMUNICATIONS, INC. AND SUBSIDIARIES

SCHEDULE II — AMOUNTS RECEIVABLE FROM DIRECTOR

Name of debtor	Balance at beginning of period	Additions	Deductions: Amounts collected	Deductions: Amounts written off	Balance at end of period
Year ended December 31, 1974					
Amon G. Carter, Jr.	—	$50,000(A)	$50,000	$ —	$ —

(A) The amount receivable is a demand note with interest at 5%, previously payable to Carter Publications, Incorporated.

CAPITAL CITIES COMMUNICATIONS, INC. AND SUBSIDIARIES

SCHEDULE V — PROPERTY, PLANT AND EQUIPMENT

	Balance at beginning of period	Additions: Purchase of Carter Properties November 8, 1974	Additions: Other additions at cost	Retirements or sales	Other changes—reclassification	Balance at close of period
Year ended December 31, 1975:						
Land and land improvements	$ 8,512,794		$ 101,850	$ (28,075)	$ —	$ 8,586,569
Buildings	21,607,218		929,983	(176,500)	320,649	22,681,350
Broadcasting equipment	22,580,765		2,535,887	(324,778)	—	24,791,874
Printing machinery and equipment	16,257,920		1,528,340	(317,396)	—	17,468,864
Program tapes, records and libraries	2,008,152		—	(3,044)	—	2,005,108
Furniture and fixtures	3,804,569		285,679	(13,490)	—	4,076,758
Automotive equipment	374,424		142,786	(39,626)	—	477,584
Leaseholds and leasehold improvements	1,360,212		23,987	(6,610)	(320,649)	1,056,940
Construction in progress	325,374		(2,589)	—	—	322,785
	$76,831,428		$ 5,545,923	$ (909,519)	$ —	$81,467,832
Year ended December 31, 1974:						
Land and land improvements	$ 6,428,015	$ 2,057,600	$ 62,179	$ (35,000)	$ —	$ 8,512,794
Buildings	14,620,029	6,457,600	540,000	—	(10,411)	21,607,218
Broadcasting equipment	19,929,814	1,081,300	2,001,538	(431,887)	—	22,580,765
Printing machinery and equipment	3,706,590	11,656,100	895,230	—	—	16,257,920
Program tapes, records and libraries	1,515,152	493,000	—	—	—	2,008,152
Furniture and fixtures	3,148,788	520,500	152,711	(17,430)	—	3,804,569
Automotive equipment	165,839	156,900	93,153	(41,468)	—	374,424
Leaseholds and leasehold improvements	1,508,021		20,669	(178,889)	10,411	1,360,212
Construction in progress	885,254		(559,880)	—	—	325,374
	$51,907,502	$22,423,000	$ 3,205,600	$ (704,674)	$ —	$76,831,428
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 libraries	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

CAPITAL CITIES COMMUNICATIONS, INC. AND SUBSIDIARIES

SCHEDULE VI — ACCUMULATED DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT

	Balance at beginning of period	Charged to income	Retirements, renewals and replacements	Other changes	Balance at close of period
Year ended December 31, 1975:					
Land improvements	$ 236,003	$ 40,715	$ —	$ —	$ 276,718
Buildings	5,478,161	669,993	(85,659)	198,382	6,260,877
Broadcasting equipment	12,688,005	2,185,376	(282,926)	—	14,590,455
Printing machinery and equipment	2,878,150	1,592,461	(156,479)	—	4,314,132
Program tapes, records and libraries	1,496,842	83,760	(3,043)	—	1,577,559
Furniture and fixtures	2,202,540	310,314	(9,363)	—	2,503,491
Automotive equipment	110,398	125,079	(35,033)	—	200,444
Leaseholds and leasehold improvements	961,326	90,362	(4,101)	(198,382)	849,205
	$26,051,425	$5,098,060	$(576,604)	$ —	$30,572,881
Year ended December 31, 1974:					
Land improvements	$ 199,561	$ 36,442	$ —	$ —	$ 236,003
Buildings	4,980,653	497,605	(97)	—	5,478,161
Broadcasting equipment	11,304,118	1,785,520	(404,668)	3,035	12,688,005
Printing machinery and equipment	2,396,474	481,676	—	—	2,878,150
Program tapes, records and libraries	1,468,796	28,046	—	—	1,496,842
Furniture and fixtures	1,983,055	237,399	(14,879)	(3,035)	2,202,540
Automotive equipment	89,508	58,392	(37,502)	—	110,398
Leaseholds and leasehold improvements	1,045,939	86,853	(171,466)	—	961,326
	$23,468,104	$3,211,933	$(628,612)	$ —	$26,051,425
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 libraries	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

CAPITAL CITIES COMMUNICATIONS, INC. AND SUBSIDIARIES

SCHEDULE VII — INTANGIBLE ASSETS

(Thousands of Dollars)

	Balance at beginning of period	Additions at cost	Deductions charged to income	Balance at close of period
Excess of cost over net tangible assets of businesses acquired:				
Year ended December 31, 1975	$160,396	$ 17	$(820)	$159,593
Year ended December 31, 1974	$129,041	$31,502(A)	$(147)	$160,396
Year ended December 31, 1973	$129,034	$ 40	$ (33)	$129,041

(A) See Note 2 to Consolidated Financial Statements.

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, 1975	$1,193,857	$1,143,031	$(1,040,739)	$1,296,149
Year ended December 31, 1974	$1,146,513	$ 941,682	$ (894,338)	$1,193,857
Year ended December 31, 1973	$ 921,744	$ 911,007	$ (686,238)	$1,146,513

(A) Accounts written-off, net

END