CAPITAL CITIES ABC INC /NY/ C 102000

10-K

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

¢x! ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 1993.

or

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

For the transition period from ____________ to ____________.

Commission file number 1-4278

Capital Cities/ABC, Inc.

(Exact name of registrant as specified in its charter)

New York (State or other jurisdiction of incorporation or organization)	14-1284013 (I.R.S. Employer Identification No.)
77 West 66th Street, New York, N.Y. (Address of principal executive offices)	10023-6298 (Zip Code)

Registrant's telephone number, including area code (212) 456-7777

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 Pacific Stock Exchange
Preferred Share Purchase Rights	New York Stock Exchange Pacific Stock Exchange

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ¢ !

The aggregate market value of the voting stock held by non-affiliates of the registrant is $8,752,000,000 as of February 28, 1994.

The number of shares outstanding of the issuer's common stock as of February 28, 1994: 15,338,311 shares, excluding 3,055,185 treasury shares.

Portions of Part I are incorporated herein by reference to the 1993 Annual Report to Shareholders and the definitive Proxy Statement for the annual meeting of shareholders to be held on May 19, 1994.

*** A03 ***

Part II and Part IV, with the exception of certain schedules and exhibits, are incorporated herein by reference to the 1993 Annual Report to Shareholders.

Part III is incorporated herein by reference to the definitive Proxy Statement for the annual meeting of shareholders to be held on May 19, 1994.

PART I

Item 1. Business.

Capital Cities/ABC, Inc., directly or through its subsidiaries (the "Company"), operates the ABC Television Network, eight television stations, the ABC Radio Networks and 18 radio stations, and provides programming for cable television. The Company, through joint ventures, is engaged in international broadcast/cable services and television production and distribution. The Company also publishes daily and weekly newspapers, shopping guides, various specialized and business periodicals, books, provides research services and also distributes information from data bases.

Employees

At December 31, 1993, the Company had approximately 19,250 full-time equivalent employees: 10,000 in broadcasting operations, 9,000 in publishing operations and 250 in corporate activities.

Industry Segments

Information relating to the industry segments of the Company's operations is included on page 37 of the Company's Annual Report to Shareholders and is hereby incorporated by reference. In 1993, the Company derived approximately 85% and 70% of its broadcasting and publishing revenues, respectively, from the sale of advertising. The remainder of the broadcasting revenues are principally derived from subscriber-related fees and programming distribution activities. The balance of publishing revenues are derived primarily from subscription and other circulation receipts and the sale of books.

Broadcasting

Television and Radio Networks

The Company operates the ABC Television Network which as of December 31, 1993 had 228 primary affiliated stations reaching 99.9% of all U.S. television households. A number of secondary affiliated stations add to the primary coverage. The ABC Television Network broadcasts programs in "dayparts" and types as follows: Monday through Friday early morning, daytime and late night, Monday through Sunday Prime Time and News, Children's and Sports. The Company also operates the ABC Radio Networks which served a total of approximately 3,400 affiliates as of December 31, 1993 through eight different program services, each with its own group of affiliated stations. The ABC Radio Networks also produces and distributes a number of radio program series for radio stations nationwide.

Generally, the Company pays the cost of producing or purchasing the broadcast rights for its network programming and pays varying amounts of compensation to its affiliated stations for broadcasting the programs and commercial announcements included therein. Substantially all revenues from network operations are derived from the sale to advertisers of time in network programs for commercial announcements. The ability to sell time for commercial announcements and the rates received are dependent on the quantitative and qualitative audience that the network can deliver to the advertiser.

The Company also produces television programs for the ABC Television Network and for other exhibitors of television programs. For television programs it produces, the Company pays the costs of production and typically receives a license fee from the exhibitor for initial exhibition. Generally, the license fees received are less than the costs of production. The Company then licenses the programs it owns for foreign exhibition and, ultimately, for repeat exhibition in the United States.

Television and Radio Stations

The Company owns seven very high frequency (VHF) television stations, one ultra high frequency (UHF) television station, nine standard (AM) radio stations and nine frequency modulation (FM) radio stations. All television stations are affiliated with the ABC Television Network and all radio stations, except as noted, are affiliated with the ABC Radio Networks. Markets, frequencies and other station details are set forth in the following tables:

Television stations

Station and market	Channel	Expiration date of FCC authorization	Television market ranking(1)
WABC-TV (New York, NY)	7	June 1, 1994	1
KABC-TV (Los Angeles, CA) ..	7	(2)	2
WLS-TV (Chicago, IL)	7	Dec. 1, 1997	3
WPVI-TV (Philadelphia, PA) .	6	Aug. 1, 1994	4
KGO-TV (San Francisco, CA) .	7	(2)	5
KTRK-TV (Houston, TX)	13	(2)	10
WTVD (Durham-Raleigh, NC) ..	11	Dec. 1, 1996	32
KFSN-TV (Fresno, CA)	30	(2)	57

Radio stations

Station and market	Frequency AM-Kilohertz FM-Megahertz	Expiration date of FCC authorization	Radio market ranking(4)
WABC (New York, NY)	770 K	June 1, 1998	1
KABC (Los Angeles, CA)	790 K	(2)	2
WLS (Chicago, IL)	890 K	Dec. 1, 1996	3
KGO (San Francisco, CA)	810 K	Dec. 1, 1997	4
WJR (Detroit, MI)	760 K	Oct. 1, 1996	6
WMAL (Washington, DC)	630 K	Oct. 1, 1995	7
WBAP (Fort Worth-Dallas, TX)	820 K	Aug. 1, 1997	8
WKHX (Atlanta, GA) (3)	590 K	Apr. 1, 1996	12
KQRS (Minneapolis-St.Paul, MN)	1440 K	Apr. 1, 1997	17
WPLJ(FM) (New York, NY)	95.5 M	June 1, 1998	1
KLOS(FM) (Los Angeles, CA) .	95.5 M	(2)	2
WLS-FM (Chicago, IL)	94.7 M	Dec. 1, 1996	3
WHYT(FM) (Detroit, MI)	96.3 M	Oct. 1, 1996	6
WRQX(FM) (Washington, DC) ..	107.3 M	Oct. 1, 1995	7
KSCS(FM) (Fort Worth-Dallas, TX) (3)	96.3 M	Aug. 1, 1997	8
WKHX-FM (Atlanta, GA) (3) ..	101.5 M	Apr. 1, 1996	12
WYAY(FM) (Atlanta, GA) (3) .	106.7 M	Apr. 1, 1996	12
KQRS-FM (Minneapolis-St. Paul, MN)	92.5 M	Apr. 1, 1997	17

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(1) Based on Nielsen U.S. Television Household Estimates, 1993-1994 season.
(2) See "Licenses -- Federal Regulation of Broadcasting/Renewal Matters" below for description of pending license renewal applications and other matters.
(3) No ABC network affiliation.
(4) Based on Arbitron Radio Market Survey Schedule and Population Rankings (metro survey area) as of Fall 1993.

Cable and International Broadcast

The Company's Cable and International Broadcast operations are principally involved in the production and distribution of cable television programming, in the licensing of programming to domestic and international markets and in joint ventures in foreign-based television operations and television production and distribution entities. Its primary services are:

ESPN, an 80%-owned cable sports programming service reaching 62,700,000 households domestically and 49,000,000 households in 90 countries internationally; ESPN2 reaching 13,000,000 households. ESPN also owns 33% of Eurosport, a pan-European satellite-delivered cable and direct-to-home sports programming service reaching 48,700,000 households; and 20% of Japan Sports Network reaching 910,000 households;

Arts & Entertainment Network, a 37 1/2%-owned cable programming service devoted to cultural and entertainment programming and reaching 52,900,000 households;

Lifetime, a 33 1/3%-owned cable programming service devoted to women's lifestyle programming and reaching 58,800,000 households;

Tele-Munchen Fernseh GmbH & Co., a 50%-owned Munich, Germany based television and theatrical production/distribution company with interests in cinemas and a minority interest in a Munich radio station;

RTL 2 Fernsehen GmbH & Co., a 20%-owned Cologne, Germany based general entertainment commercial broadcasting company reaching 19,600,000 households;

Scandinavian Broadcasting System SA, a 24%-owned Luxembourg based company operating television stations in Denmark reaching 1,300,000 households, and satellite-delivered cable and direct-to-home general entertainment television programming services in Sweden and Norway reaching 1,700,000 and 900,000 households, respectively;

Hamster Productions, S.A., 33 1/3%-owned, and Tesauro, S.A., 25%-owned, television and theatrical production/distribution companies based in Paris, France and Madrid, Spain, respectively; and

DIC Productions, L.P., a 95%-owned production/distribution venture of animated and live action programming for the children's television and video markets, and DIC Entertainment, L.P., a 100%-owned film library of similar type programming.

Multimedia

In late 1993, the Company created a Multimedia Group with the mandate to explore using video and print material to create new programming and software and to explore investment opportunities in emerging multimedia and interactive technologies. The division includes the Capital Cities/ABC Video Publishing unit, which acquires rights to and produces programming for the home video market.

Competition

The ABC Television Network competes for viewers with the other television networks, independent television stations and other video media such as cable television, multipoint distribution services ("MDS," which employ non-broadcast frequencies to transmit subscription television services to individual homes and businesses), satellite television program services and video cassettes; in the sale of advertising time, it competes with the other television networks, independent television stations, suppliers of cable television programs, and other advertising media such as newspapers, magazines and billboards. Substantial competition also exists for exclusive broadcasting rights for television programming. The ABC Radio Networks likewise compete with other radio networks and radio programming services, independent radio stations, and other advertising media.

The Company's television and radio stations are in competition with other television and radio stations, cable television systems, MDS, satellite television program services, video cassettes and other advertising media such as newspapers, magazines and billboards. Such competition occurs primarily in individual market areas. Generally, a television station in one market does not compete directly 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 station 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 (particularly during nighttime hours) to gain a share of the audience. However, they generally do not realize significantly increased advertising revenues as a result.

The Company's Cable and International Broadcast operations compete with a number of companies involved in developing and supplying program services for cable, television syndication and theatrical distribution, and with conventional television broadcasters. The Multimedia operations face competition from numerous broadcast, cable, computer software, production and distribution companies which are also pursuing opportunities in the new technologies. The development of these businesses could adversely affect the future of conventional television broadcasting.

In addition, the Company's broadcast operations face potential competition from numerous new satellite, cable and telephone technologies and distribution systems, and from signal-enhancing technologies such as high definition television or, in radio, "digital audio" radio. Although most of these technologies are in experimental phases, all have the potential to further increase the entertainment and information alternatives available to consumers. In some instances, the Company may itself participate in these new technologies. Regulatory, technical and economic issues make it impossible to predict whether or when, such technologies will become viable or competitive.

Licenses--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, determine the location of stations, regulate the equipment used by stations, adopt such regulations as may be necessary to carry out the provisions of the Communications Act and impose certain penalties for violation of its regulations.

Renewal Matters

Broadcasting licenses are granted for a maximum period of seven years, in the case of radio stations, and five years, in the case of television stations, and are renewable upon application therefor. During certain periods when a renewal application is pending, new applicants may file for the frequency and may be entitled to compete with the renewal applicant in a comparative hearing, and others may file petitions to deny the application for renewal of license. Renewal applications are now pending for KABC(AM), KLOS-FM, KTRK-TV, KABC-TV, KGO-TV and KFSN-TV. In the case of KABC(AM), KLOS-FM, KABC-TV, KGO-TV and KFSN-TV, the time to file competing applications and petitions to deny has passed, and no such filings have been made against these stations. In the case of KTRK-TV, two petitions to deny have been filed. The Company believes both petitions are without merit and is vigorously opposing them. All of the Company's other owned stations have been granted license renewals by the FCC for regular terms.

On April 15, 1992, the U.S. District Court for the District of Columbia issued a Memorandum Opinion and Order in Shepherd et al. v. American Broadcasting Companies, Inc. et al., Civil Action No. 88-0954 (RCL), which entered a default judgment against American Broadcasting Companies, Inc. and the Company on a complaint alleging discrimination in employment practices at the ABC News Bureau in Washington, DC, in violation of District of Columbia law. The default was based on a conclusion that "the defendants impeded and obstructed the litigation process by . . . destruction and alteration of a crucial document and through the harassment of witnesses and filing false and misleading affidavits." On September 3, 1993, the District Court issued a Memorandum Opinion on reconsideration that withdrew many of the findings of misconduct previously made but reaffirmed other such findings (as well as the default judgment) and called for further proceedings with respect to damages.

The Company believes that the District Court's decision is factually and legally incorrect, and it is seeking to obtain a review of the default judgment (and the supporting findings of misconduct that remain) by the U.S. Court of Appeals for the District of Columbia Circuit. However, the policies of the FCC call for the agency to evaluate whether an adjudication of misconduct of the kind found in Shepherd should bear on the qualifications of the licensee, even though the adjudication is pending on appeal. The FCC has recently approved the Company's acquisition of radio station WYAY(FM), Gainesville, GA without prejudice to any action the agency may take in light of the ultimate outcome of the Shepherd decision. On January 14, 1994, the Company submitted to the FCC amendments to its pending license renewal applications urging that it and its subsidiaries should be found fully qualified to hold broadcast licenses, even if the misconduct findings of the District Court were ultimately upheld. Pending FCC action on that issue the Company will urge the FCC to apply the Gainesville, GA precedent to permit the acquisition of new stations, the sale of existing stations or the renewal of existing licenses.

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 shares owned of record or voted by aliens, representatives of aliens, foreign governments, representatives of foreign governments or corporations organized under the laws of foreign countries.

The FCC's "multiple ownership" rules impose a variety of restrictions on the ownership or control of broadcast stations by a single party. The television "duopoly" rule bars control or ownership of significant interests in two television stations that serve the same area. Less severe restraints are imposed on the control or ownership of AM and FM radio stations that serve the same area; in a number of situations, a single party may control or own an AM and/or an FM "duopoly" -- two AM and/or two FM stations -- in the same market area. The rules also preclude the grant of applications for station acquisitions that would result in the creation of new radio-television combinations in the same market under common ownership, or the sale of such a combination to a single party, subject to the availability of waiver. Under FCC policy, waiver applications that involve radio-television station combinations in the top 25 TV markets where there would be at least 30 separately owned, operated and controlled broadcast licensees after the proposed combination will generally be favorably received. Under present FCC rules, a single entity may directly or indirectly own, operate or have a significant interest in up to eighteen AM and eighteen FM radio stations, and up to twelve television stations (VHF or UHF), provided that those television stations operate in markets containing cumulatively no more than 25% of the television households in the country. For this purpose, ownership of a UHF station will result in the attribution of only 50% of the television households in the relevant market. The Company owns eight television stations, of which seven are VHF, resulting in a total penetration of the nation's television households, for purposes of the multiple ownership rules, of 23.63%. The Company also owns nine AM and nine FM radio stations.

Furthermore, under the FCC's rules, radio and/or television licensees may not acquire new ownership interests in daily newspapers published in the same markets served by their broadcast stations. The Company currently 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 WHYT(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. Absent an FCC waiver, the Company could not under the rules acquire additional broadcast stations in these markets nor could the current broadcast/newspaper combinations be transferred together. In 1993, the Congress relaxed a restriction previously imposed on the FCC so as to allow the FCC to grant waivers of the rules with respect to newspaper/radio station cross-ownership in the top 25 markets where at least 30 independent broadcast voices would remain following a transfer if the FCC determines that a waiver would serve the public interest. This new policy creates potential new acquisition opportunities for the Company.

The FCC's rules also provide that television licensees may not own cable television systems in communities within the service contours of their television stations. In 1992, the FCC relaxed the rule that previously prohibited common ownership of television networks and cable television systems to permit such combinations subject to a national limit of 10% of "homes passed" (i.e., homes within the service areas of cable systems) by cable as well as a local limit of 50% of homes passed within any ADI (Area of Dominant Influence, i.e., local television market area as defined by Arbitron Television Ratings).

The FCC's rules generally provide that an entity will have the licensee's broadcast stations or newspapers attributed to it for purposes of the multiple ownership rules only if it holds the power to vote or control the vote of 5% or more of the stock of a licensee. Qualifying mutual funds, insurance companies, or bank trust departments may vote or control the vote of up to 10% of the stock of a broadcast licensee before the licensee's stations would be attributed to that entity.

Network Regulations

In May 1993, the FCC eliminated rules that previously restricted the ability of the Company as well as CBS Inc. ("CBS") and National Broadcasting Company, Inc. ("NBC") to acquire financial interests in network television programs. In the same proceeding, the FCC retained (subject to a complex two-year sunset provision) rules that prevent the networks from engaging in active first-run or "off-network" syndication of programs to television stations in the United States, constrain the networks' discretion to determine when programs owned by them will be made available for syndication, and prevent the networks from acquiring from independent producers interests in first-run syndicated programs. In September 1993, the FCC substantially denied petitions for reconsideration of its May 1993 decision. The lawfulness of the regulations the agency has retained, and of the 1993 modications, has been challenged in proceedings currently pending in the United States Court of Appeals for the Seventh Circuit. The Company is not able to predict the outcome of these proceedings. In addition, other FCC rules effectively restrict the regular prime-time programming schedules of ABC, CBS and NBC to three hours per night during the period 7:00 P.M. to 11:00 P.M. on Monday through Saturday.

The Company's television network operations are subject to a consent judgment (United States v. American Broadcasting Companies, Inc., 74-3600-RJK), in the United States District Court for the Central District of California, entered into and effective on November 14, 1980. Similar judgments have been entered against CBS and NBC with respect to their television networks. In November 1993 the United States District Court, upon a joint motion by the United States Department of Justice, the Company, CBS and NBC, modified the consent judgment to eliminate those provisions which prohibited the acquisition of subsidiary rights and interests in television programs produced by independent suppliers and restricted the ability of the Company (as well as CBS and NBC) to engage in the business of distributing programs directly to television stations in the United States or overseas. The consent judgment continues to contain provisions regulating for a period expiring in 1995 certain aspects of the Company's contractual relationships with suppliers of entertainment programming and with talent performers and other creative contributors to ABC Television Network entertainment programming.

Cable Television and Other Competing Services

Cable television can provide more competition to a television station by making additional signals available to the audience. In 1992, Congress enacted the Cable Television Consumer Protection and Competition Act. The Act gives television stations the right to elect "must carry" protection (including protection on channel position) on local cable systems. (The FCC's "must carry" rules require cable television systems generally to carry the signals of television stations in whose service areas they operate.) In the alternative, the Act permits local stations to negotiate with cable systems the terms and conditions of "retransmission consent" to carry their signals and to withhold their signals in the event that no consent on terms and conditions is reached. The Act also reimposes cable system rate regulation and introduces new regulations designed to ensure that MDS and other multi-channel video programmers have access to programming to facilitate competition with cable systems. The Act requires the FCC to conduct rulemaking proceedings to establish national cable system ownership limits and limits on cable channels devoted to video programmers in which the cable system has an interest, and to prohibit coercive or discriminatory practices by cable operators in dealings with video programmers (such as ESPN, ESPN2, Arts & Entertainment and Lifetime). The FCC has adopted regulations implementing all of these statutory provisions. Cable operators have filed lawsuits challenging many of the new Act's provisions. The must carry, retransmission consent, rate regulation and program

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access provisions have been upheld as constitutional in federal court decisions. The decision relating to must carry is pending on appeal in the Supreme Court of the United States. The decision relating to the Act's other provisions has been appealed to the United States Court of Appeals for the District of Columbia Circuit. The Company cannot predict the outcome of this litigation.

Most cable television systems supply additional programming to subscribers that is not originated on, or transmitted from, conventional television broadcasting stations. Many of these services (including ESPN, ESPN2, Arts & Entertainment and Lifetime) are also being distributed directly to viewers by means of satellite transmissions to home satellite reception dishes.

The FCC also authorizes broadcast subscription television services and MDS, and has expanded the number of frequencies available for MDS by allocating two groups of four channels each for the so-called multichannel MDS, to be awarded by lottery. The FCC has authorized licensees in the Instructional Television Fixed Service to lease their excess capacity for commercial use, including subscription television service, and has adopted rules facilitating direct broadcast satellite operations. It has also created a new service of low power television facilities to supplement existing conventional television broadcast service.

The Company also faces potential competition to its broadcast and cable program services and to its newspaper operations from telephone companies. Telephone companies are seeking to expand their broadband networks to provide both data transmission services ("electronic publishing") and video services to the home. Until 1991, the regional Bell operating companies were prohibited from providing information services by the Modified Final Judgment that governed the break-up of American Telephone and Telegraph Company. While that prohibition has been lifted, there is a provision in the Cable Act of 1984 that prohibits telephone companies from providing video programming directly to their telephone subscribers ("the telco/cable cross ownership ban"). A number of recent developments may affect potential telephone company competition. First, the FCC decided in 1991 and 1992 to permit telephone companies to offer "video dialtone" distribution services to programmers on a common carrier basis without having to obtain a municipal cable franchise. Appeals challenging this decision are pending in the United States Court of Appeals for the District of Columbia Circuit. Second, in a suit filed by Bell Atlantic Corporation, a U.S. District Court ruled in August 1993 that the telco/cable cross ownership ban is unconstitutional. The decision has been appealed to the United States Court of Appeals for the Fourth Circuit. Finally, there are a number of legislative proposals that would either eliminate or modify the telco/cable cross ownership ban. The Company cannot predict the outcome of these developments or the competitive effect of these services or potential services.

From time to time legislation may be introduced in Congress which, if enacted, might affect the Company's operations or its advertising revenues. Proceedings, investigations, hearings and studies are periodically conducted by Congressional committees and by the FCC and other government agencies with respect to problems and practices of, and conditions in, the broadcasting industry. The Company cannot generally predict whether new legislation or regulations may result from any such studies or hearings or the adverse impact, if any, upon the Company's operations which might result therefrom.

The information contained under this heading does not purport to be a complete summary of all the provisions of the Communications Act and the rules and regulations of the FCC thereunder, or of pending proposals for other regulation of broadcasting and related activities. For a complete statement of such provisions, reference is made to the Communications Act, and to such rules, regulations and pending proposals thereunder.

* * * * *

Publishing

The Company publishes newspapers and shopping guides, various specialized and business periodicals and books; provides research services and also distributes information from data bases. Following is a summary of the Company's historical operating performance, by type of publication, for the last five years (000's omitted):

	1993	1992	1991	1990	1989
Inches of advertising					
Newspapers (a)..............	18,953	18,396	17,550	18,421	15,844
Specialized publications....	3,055	3,004	2,921	3,399	3,603
Advertising revenue					
Newspapers--ROP.............	$310,429	$301,182	$291,592	$307,634	$290,545
Newspapers--inserts.........	58,732	55,278	51,695	49,800	44,694
Shopping guides.............	71,853	71,137	66,370	65,834	62,111
Specialized publications....	277,077	270,885	267,974	307,686	310,169
Circulation revenue					
Newspapers..................	$101,112	$ 96,226	$ 93,697	$ 85,933	$ 82,582
Specialized publications....	51,182	47,253	53,024	59,471	65,882
Other operating revenue					
Newspapers..................	$21,700	$ 18,200	$ 14,323	$ 10,813	$ 6,635
Shopping guides.............	4,851	4,220	3,589	4,171	4,337
Specialized publications					
Books/Music...............	28,638	118,967	116,708	111,643	108,012
Research services, data base and other......	84,864	95,218	93,274	98,984	82,438
Total revenue					
Newspapers..................	$491,973	$470,886	$451,307	$454,180	$424,456
Shopping guides.............	76,704	75,357	69,959	70,005	66,448
Specialized publications....	441,761	532,323	530,980	577,784	566,501
Paid circulation at year-end					
Newspapers (Daily)..........	751	754	741	769	891
Newspapers (Sun.)...........	1,008	992	966	958	930
Specialized publications....	1,324	1,356	1,768	2,164	3,256

(a) Does not include inserts.
(b) Excludes 1993 and 1992 acquisitions, start-ups and disposals.

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of the Company's historical
he last five years (000's

1991	1990	1989	Pro Forma (b) 1993	1992
17,550	18,421	15,844	18,953	18,396
2,921	3,399	3,603	2,878	2,920
$291,592	$307,634	$290,545	$310,429	$301,182
51,695	49,800	44,694	58,732	55,252
66,370	65,834	62,111	70,633	70,232
267,974	307,686	310,169	265,243	259,209
$ 93,697	$ 85,933	$ 82,582	$101,112	$ 96,226
53,024	59,471	65,882	45,800	45,016
$ 14,323	$ 10,813	$ 6,635	$ 18,540	$ 16,667
3,589	4,171	4,337	4,663	4,220
116,708	111,643	108,012	28,638	30,817
93,274	98,984	82,438	83,331	77,476
$451,307	$454,180	$424,456	$488,813	$469,327
69,959	70,005	66,448	75,296	74,452
530,980	577,784	566,501	423,012	412,518
741	769	891	751	754
966	958	930	1,008	992
1,768	2,164	3,256	1,212	1,347

nd disposals.

Daily Newspapers

The Company publishes eight daily newspapers in eight communities (six of which have Sunday editions). The daily newspapers and their paid circulation are as follows:

		Daily	Sunday
The Kansas City Star	Morning	297,000	431,000
Fort Worth Star-Telegram	All Day	252,000	347,000
The Oakland Press (Pontiac, MI)	Morning	70,000	81,000
Belleville News-Democrat (Belleville, IL)	Morning	51,000	61,000
The Times Leader (Wilkes-Barre, PA)	Morning	47,000	79,000
Albany Democrat-Herald (Albany, OR)	Evening	21,000	
Milford Citizen (Milford, CT)	Evening	7,000	9,000
The Daily Tidings (Ashland, OR)	Evening	6,000	

Weekly Newspapers

The Company publishes weekly community newspapers in seven states. The location by state, number of publications and aggregate circulation is set forth below:

State	Number of Publications	Aggregate Circulation
Connecticut	26	147,000
Illinois	13	55,000
Massachusetts	16	53,000
Michigan	12	187,000
Oregon	6	39,000
Pennsylvania	1	11,000
Rhode Island	4	22,000

Shopping Guides and Real Estate Magazines

The Company distributes shopping guides and real estate magazines in thirteen states. The location by state, number of publications and aggregate circulation is set forth below:

State	Number of Publications	Aggregate Circulation
California	6	1,956,000
Connecticut	9	208,000
Illinois	1	14,000
Kansas	1	144,000
Massachusetts	19	232,000
Michigan	7	94,000
Missouri	1	135,000
Nevada	4	114,000
Oregon	5	207,000
Pennsylvania	3	89,000
Rhode Island	1	23,000
Texas	2	57,000
Washington	4	387,000

Specialized Publications

The Specialized Publications consists of three groups: the Diversified Publishing Group, the Fairchild Publications Group, and the Financial Services and Medical Group. Through these groups it is engaged in gathering and publishing business news and ideas for industries covered by its various publications; in the publishing of consumer, special interest, trade and agricultural publications; and in research and data base services. All of the publications are printed by outside printing contractors. Following are the significant publications and services:

Title	Frequency	Circulatio
Diversified Publishing Group		
Agricultural Publishing Group		
Farm Futures	10 times per year	225,000*
Feedstuffs	Weekly	17,000
Tack 'n Togs Merchandising	13 times per year	23,000*

In addition, the Agricultural Publishing Group publishes nineteen state and regional farm magazines with an aggregate circulation of 947,000, serving 35 states.

Title	Frequency	Circulatio
Chilton Publications		
American Metal Market	Daily	10,000
Assembly	9 times per year	60,000*
Automotive Body Repair News	Monthly	60,000*
Automotive Industries	Monthly	100,000*
Automotive Marketing	Monthly	40,000*
Cablevision	Semimonthly	14,000*
CED (Communications Engineering and Design)	Monthly	15,000*
Commercial Carrier Journal	Monthly	85,000*
Distribution	Monthly	70,000*
Electronic Component News	Monthly	121,000*
Energy User News	Monthly	40,000*
Food Engineering	Monthly	60,000*
Food Engineering International	6 times per year	15,000*
Hardware Age	Monthly	69,000*
I&CS (Instrument & Control Systems)	Monthly	93,000*
IAN (Instrumentation & Automation News)	Monthly	117,000*
IMPO (Industrial Maintenance & Plant Operations)	Monthly	127,000*
Industrial Paint & Powder	Monthly	37,000*
Industrial Safety & Hygiene News	Monthly	60,000*
Jewelers' Circular-Keystone	Monthly	29,000
Manufacturing Systems	Monthly	115,000*
Metal Center News	Monthly	15,000*
Motor Age	Monthly	134,000*
Multichannel News	Weekly	15,000
New Steel	Monthly	18,000*
Outdoor Power Equipment	Monthly	22,000*
Owner Operator	9 times per year	93,000*
PIQ (Process Industries Quality)	6 times per year	42,000*
Product Design and Development	Monthly	161,000*

ups: the Diversified
and the Financial Services
ed in gathering and
vered by its various
interest, trade and
base services. All of the
tors. Following are the

	Frequency	Circulation
...	10 times per year	225,000*
...	Weekly	17,000
...	13 times per year	23,000*

lishes nineteen state and
ion of 947,000, serving 35

...	Daily	10,000
...	9 times per year	60,000*
...	Monthly	60,000*
...	Monthly	100,000*
...	Monthly	40,000*
...	Semimonthly	14,000*
...	Monthly	15,000*
...	Monthly	85,000*
...	Monthly	70,000*
...	Monthly	121,000*
...	Monthly	40,000*
...	Monthly	60,000*
...	6 times per year	15,000*
...	Monthly	69,000*
...	Monthly	93,000*
...	Monthly	117,000*
...	Monthly	127,000*
...	Monthly	37,000*
...	Monthly	60,000*
...	Monthly	29,000
...	Monthly	115,000*
...	Monthly	15,000*
...	Monthly	134,000*
...	Weekly	15,000
...	Monthly	18,000*
...	Monthly	22,000*
...	9 times per year	93,000*
...	6 times per year	42,000*
...	Monthly	161,000*

Title	Frequency	Circulatio
Product Design and Development Europe	4 times per year	50,000*
Quality	Monthly	97,000*
Review of Optometry	Monthly	32,000*
Video Business	Weekly	45,000*
Video Software Magazine	Monthly	22,000*
Warehousing	6 times per year	40,000*
Los Angeles	Monthly	156,000

The Diversified Publishing Group also includes: Chilton Enterprises which publishes automotive repair, craft and hobby books, provides custom market research and conducts trade shows; NILS Publishing Company, a data base publisher of information on insurance laws and regulations; and Grupo Editorial Expansion, S.A., acquired in 1993, which publishes Expansion, a biweekly business magazine with a circulation of 29,000; Obras, a monthly construction magazine with a circulation of 11,000; and various bulletins and newsletters concerning Mexican business and legal issues.

Title	Frequency	Circulatio
Fairchild Publications Group		
Children's Business	Monthly	13,000*
Daily News Record	Daily	20,000
Footwear News	Weekly	19,000
Golf Pro Merchandiser	8 times per year	12,000*
HFD--The Weekly Home Furnishings Newspaper	Weekly	28,000
Home Fashions Magazine	11 times per year	10,000*
Salon News	Monthly	80,000*
SportStyle	18 times per year	25,000*
Supermarket News	Weekly	51,000
W	Monthly	258,000
W Fashion Europe	10 times per year	20,000
Women's Wear Daily	Daily	55,000
Financial Services and Medical Group		
Institutional Investor		
Domestic Edition	Monthly	105,000*
International Edition	Monthly	39,000*
Infrastructure Finance	Quarterly	17,000*
Selling	10 times per year	70,000
International Medical News Group		
Clinical Psychiatry News	Monthly	33,000*
Family Practice News	Semimonthly	72,000*
Internal Medicine News	Semimonthly	101,000*
Ob. Gyn. News	Semimonthly	32,000*
Pediatric News	Monthly	36,000*
Skin & Allergy News	Monthly	18,000*

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*All, or substantially all, controlled circulation.

Certain operations within the Publishing Group also publish philatelic magazines, cable guides, books, visuals, journals and newsletters, and conduct meetings and seminars.

	Frequency	Circulation
...	4 times per year	50,000*
...	Monthly	97,000*
...	Monthly	32,000*
...	Weekly	45,000*
...	Monthly	22,000*
...	6 times per year	40,000*
...	Monthly	156,000

ilton Enterprises which
, provides custom market
Company, a data base
ulations; and Grupo
publishes Expansion, a
9,000; Obras, a monthly
; and various bulletins and
issues.

...	Monthly	13,000*
...	Daily	20,000
...	Weekly	19,000
...	8 times per year	12,000*
...	Weekly	28,000
...	11 times per year	10,000*
...	Monthly	80,000*
...	18 times per year	25,000*
...	Weekly	51,000
...	Monthly	258,000
...	10 times per year	20,000
...	Daily	55,000

...	Monthly	105,000*
...	Monthly	39,000*
...	Quarterly	17,000*
...	10 times per year	70,000

...	Monthly	33,000*
...	Semimonthly	72,000*
...	Semimonthly	101,000*
...	Semimonthly	32,000*
...	Monthly	36,000*
...	Monthly	18,000*

publish philatelic
d newsletters, and conduct

Competition

The Company's newspapers, specialized publications and shopping guides operate in a highly competitive environment. In the Company's various news publishing activities it competes with almost all other information media, including broadcast media, and this competition may become more intense as new technologies are developed. Magazines and many newspapers publish substantial amounts of similar business news and information, and deal with the same or related special interests or industries, as those covered by the Company's specialized publications. The Company's newspapers, specialized publications and shopping guides compete for advertising with all other advertising forms of media.

Raw Materials

The primary raw materials used by the Company's Publishing Group are newsprint and other paper stock, which are purchased from paper merchants, paper mills and contract printers and are readily available from numerous suppliers.

Item 2. Properties.

The Company's headquarters building at 77 West 66th Street in New York City houses the corporate offices and the television network administrative staff, and is owned by the Company.

The Company owns the ABC Television Center adjacent to the Company's headquarters building on West 66th Street and the ABC Radio Networks' studios at 125 West End Avenue in New York City. In Los Angeles, the Company owns the ABC Television Center. The Company leases the ABC Television Network offices in Los Angeles, the ABC News Bureau facility in Washington, DC and the computer facility in Hackensack, NJ under leases expiring on various dates through 2034. The Company's broadcast operations and engineering facility and local television studios and offices in New York City are leased, but the Company has the right to acquire such properties for a nominal sum in 1997. The Company's 80%-owned subsidiary ESPN owns ESPN Plaza in Bristol, CT from which it conducts its technical operations. The Company owns the majority of its other broadcast studios and offices and broadcast transmitter sites elsewhere, and those which it does not own are occupied under leases expiring on various dates through 2039.

The Company owns and leases publishing subsidiaries' executive, editorial and other offices and facilities in various cities. For leased properties, the leases expire on various dates through 2006. All of the significant premises occupied by the newspapers are owned by the Company.

Item 3. Legal Proceedings.

All litigation pending during 1993 was routine and incidental to the business of the Company. For a discussion of the relevance of one item of litigation in the regulatory context, see "Licenses - Federal Regulation of Broadcasting" under Item 1. Business.

Item 4. Submission of Matters to a Vote of Security Holders.

The information called for by this item is not applicable.

Executive Officers of the Company

Name	Age	Director since	Officer since	Title and p the pas
Thomas S. Murphy	68	1957	1958	Chairman of the Board of Director 1990 to February 1994 he was Chai June 1990 he was Chairman of the Officer.
John B. Fairchild	67	1968	1968	Executive Vice President, Chairma Director.
Robert A. Iger	43		1993	Executive Vice President (Senior 1993), and President of ABC Telev he was President of ABC Entertain Executive Vice President of ABC T was Vice President, Program Plann
Ronald J. Doerfler	52		1977	Senior Vice President and Chief F
Herbert A. Granath	65		1988	Senior Vice President, and Presid Group. Prior to October 1993 he Enterprises.
Michael P. Mallardi	60		1986	Senior Vice President, and Presid
Phillip J. Meek	56		1975	Senior Vice President, and Presid
Stephen A. Weiswasser	53		1986	Senior Vice President and General Group. From January 1993 to Augu Prior to January 1993 he was Seni President of ABC News. In 1991 h Vice President of ABC Television Vice President and General Counse
David Westin	41		1991	Senior Vice President, and Presid Group. From March 1993 to August General Counsel. From 1991 to Mar Counsel. Prior to 1991 he was eng the law firm of Wilmer,Cutler & P
Alan N. Braverman	46		1993	Vice President and Deputy General engaged in the practice of law as Cutler & Pickering.
Allan J. Edelson	51		1981	Vice President and Controller.
David J. Vondrak	48		1986	Vice President and Treasurer.

There is no relationship by blood, marriage or adoption among the officers. All officers hold office at the pleasure of the Board of Directors.

Title and positions during
the past five years

Chairman of the Board of Directors and Chief Executive Officer. From June 1990 to February 1994 he was Chairman of the Board of Directors. Prior to June 1990 he was Chairman of the Board of Directors and Chief Executive Officer.

Executive Vice President, Chairman of Fairchild Publications Group and Director.

Executive Vice President (Senior Vice President from March 1993 to August 1993), and President of ABC Television Network Group. Prior to January 1993 he was President of ABC Entertainment since 1989. In 1988 and 1989 he was Executive Vice President of ABC Television Network Group. Prior thereto he was Vice President, Program Planning and Acquisition for ABC Sports.

Senior Vice President and Chief Financial Officer.

Senior Vice President, and President Cable and International Broadcast Group. Prior to October 1993 he was Vice President, and President of Video Enterprises.

Senior Vice President, and President of Broadcast Group.

Senior Vice President, and President of Publishing Group.

Senior Vice President and General Counsel, and President of Multimedia Group. From January 1993 to August 1993 he was Senior Vice President. Prior to January 1993 he was Senior Vice President, and Executive Vice President of ABC News. In 1991 he was Senior Vice President, and Executive Vice President of ABC Television Network Group. Prior thereto he was Senior Vice President and General Counsel.

Senior Vice President, and President of Production, ABC Television Network Group. From March 1993 to August 1993 he was Senior Vice President and General Counsel. From 1991 to March 1993 he was Vice President and General Counsel. Prior to 1991 he was engaged in the practice of law as a partner in the law firm of Wilmer,Cutler & Pickering.

Vice President and Deputy General Counsel. Prior to November 1993 he was engaged in the practice of law as a partner in the law firm of Wilmer, Cutler & Pickering.

Vice President and Controller.

Vice President and Treasurer.

ion among the officers. All
Directors.

PART II

Item 5. Market for the Registrant's Common Stock and Related Security Holder Matters.

The information called for by this item is included on page 41 of the 1993 Annual Report to Shareholders and is incorporated herein by reference.

Item 6. Selected Financial Data.

The information called for by this item is included on pages 26 and 27 of the 1993 Annual Report to Shareholders and is incorporated herein by reference.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The information called for by this item is included on pages 21 through 25 of the 1993 Annual Report to Shareholders and is incorporated herein by reference.

Item 8. Financial Statements and Supplementary Data.

The information called for by this item is included on pages 28 through 41 of the 1993 Annual Report to Shareholders and is incorporated herein by reference.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

The information called for by this item is not applicable.

PART III

Item 10. Directors and Executive Officers of the Registrant.

Incorporated herein by reference to the Company's definitive Proxy Statement for the annual meeting of shareholders to be held on May 19, 1994. Information concerning the executive officers is included in Part 1, on page K-14.

Item 11. Executive Compensation.

Incorporated herein by reference to the Company's definitive Proxy Statement for the annual meeting of shareholders to be held on May 19, 1994.

Item 12. Security Ownership of Certain Beneficial Owners and Management.

Incorporated herein by reference to the Company's definitive Proxy Statement for the annual meeting of shareholders to be held on May 19, 1994.

Item 13. Certain Relationships and Related Transactions.

The information called for by this item is not applicable.

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K.

(a) 1. & 2. Financial statements and financial statement schedules.

The financial statements and schedules listed in the accompanying index to the consolidated financial statements are filed as part of this annual report.

3. Exhibits.

The exhibits listed on the accompanying index to exhibits are filed as part of this annual report.

(b) Reports on Form 8-K.

None filed during Fourth Quarter 1993.

CAPITAL CITIES/ABC,INC.
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
AND FINANCIAL STATEMENT SCHEDULES
COVERED BY REPORT OF CERTIFIED PUBLIC ACCOUNTANTS
(Item 14(a) 1. & 2.)

All other schedules have been omitted since the required information is not applicable 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.

* * * * *

The consolidated financial statements of Capital Cities/ABC, Inc., listed in the above index which are included in the Annual Report to Shareholders for the year ended December 31, 1993, are hereby incorporated by reference. With the exception of the Items referred to in Items 1, 5, 6, 7 and 8, the 1993 Annual Report to Shareholders is not to be deemed filed as part of this report.

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in this Annual Report on Form 10-K of Capital Cities/ABC, Inc. for the year ended December 31, 1993 of our report dated February 28, 1994, included in the 1993 Annual Report to Shareholders of Capital Cities/ABC, Inc.

Our audits also included the financial statement schedules of Capital Cities/ABC, Inc. listed in item 14(a). These schedules are the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, the financial statement schedules referred to above, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

We also consent to the incorporation by reference in the Registration Statements Form S-8 No. 2-59014 for the registration of 287,195 shares of the

Company's common stock, Form S-8 No. 2-86863 for the registration of 300,000 shares, Form S-8 No. 33-2196 relating to the issuance of an indeterminate number of shares, Form S-8 No. 33-11806 for the registration of 200,000 shares, Form S-8 No. 33-16206 for the registration of 300,000 shares, Form S-8 No. 33-25918 for the registration of 200,000 shares, Form S-8 No. 33-33761 for the registration of 200,000 shares, Form S-3 No. 33-38117 for the registration of Debt Securities and Warrants to purchase Debt Securities, Form S-3 No. 33-39652 for the registration of Debt Securities and Warrants to purchase Debt Securities, and Form S-8 No. 33-52563 for the registration of 60,000 shares, and in the related Prospectuses and documents constituting Prospectuses, of our above report.

ERNST & YOUNG

New York, New York
March 14, 1994

CAPITAL CITIES/ABC, INC.

INDEX TO EXHIBITS (Item 14 (a) 3.)

(3)(a) Restated Certificate of Incorporation of the Company, with amendments. Incorporated by reference to Exhibit (3)(a) to the Company's Annual Report on Form 10-K for 1989.

(3)(b) Current By-laws of the Company. Incorporated by reference to Exhibit (3) to the Company's Quarterly Report on Form 10-Q for the period ended September 30, 1990.

(4)(a) Capital Cities/ABC, Inc. Standard Multiple-Series Indenture Provisions dated December 7, 1990. Incorporated by reference to Exhibit (4)(a) to Registration Statement No. 33-38117.

(4)(b) Indenture, dated as of December 15, 1990, between the Company and Manufacturers Hanover Trust Company (now Chemical Bank), as Trustee, with respect to Senior Debt Securities. Incorporated by reference to Exhibit (4)(b) to Registration Statement No. 33-38117.

(4)(c) Indenture, dated as of April 1, 1991 between the Company and Manufacturers Hanover Trust Company (now Chemical Bank), as Trustee, with respect to Subordinated Debt Securities. Incorporated by reference to Exhibit (4)(c) to Registration Statement No. 33-39652.

(4)(d) Revolving Credit Agreement, dated as of January 3, 1986, as amended and restated as of June 30, 1987, among the Company, Chemical Bank and certain other banks. Incorporated by reference to Exhibit (4)(d) to the Company's Annual Report on Form 10-K for 1987.

(4)(e) Second Amendment, dated as of June 30, 1989, to the Revolving Credit Agreement set forth in Exhibit (4)(d) above. Incorporated by reference to Exhibit 4(e) to the Company's Annual Report on Form 10-K for 1989.

(4)(f) Third Amendment, dated as of April 30, 1992, to the Revolving Credit Agreement set forth in Exhibits (4)(d) and (4)(e) above. Incorporated by reference to Exhibit 4(f) to the Company's Annual Report on Form 10-K for 1992.

(4)(g) Other instruments defining the rights of holders of long-term debt of the Company and its consolidated subsidiaries are not being filed since the total amount of securities authorized under any of such instruments does not exceed 10 percent of the total assets of the Company and its subsidiaries on a consolidated basis. The Company agrees to furnish a copy of any such instrument to the Securities and Exchange Commission upon request.

(4)(h) Rights Agreement, dated December 14, 1989, between the Company and Harris Trust Company of New York with respect to the Preferred Share Purchase Rights. Incorporated by reference to Exhibit 1 to the Company's Form 8-K dated December 15,1989.

(10)(a) Stock Purchase Agreement between the Company and Berkshire Hathaway Inc., dated March 18, 1985. Incorporated by reference to Appendix B to the Company's and American Broadcasting Companies, Inc.'s Joint Proxy Statement-Prospectus dated May 10, 1985.

(10)(b) Stock Purchase Agreement among the Company, Berkshire Hathaway Inc., National Indemnity Company, National Fire and Marine Insurance Company, Columbia Insurance Company, Nebraska Furniture Mart, Inc. and Cornhusker Casualty Company, dated January 2, 1986. Incorporated by reference to Exhibit A to the Schedule 13D dated January 8, 1986 filed by Berkshire Hathaway Inc. and others in regard to the Company's common stock.

(10)(c) Amendment dated October 29, 1993 to the Stock Purchase Agreement set forth in Exhibit (10)(b) above. Incorporated by reference to Exhibit 99(c) to the Company's Schedule 13E-4 dated November 2, 1993.

*(10)(d) Supplemental Profit Sharing Plan of the Company, as amended through April 9, 1992. Incorporated by reference to Exhibit (10)(c) to the Company's Annual Report on Form 10-K for 1992.

*(10)(e) Benefit Equalization Plan of the Company, as amended through January 1, 1994.

*(10)(f) Incentive Compensation Plan of the Company, as amended through December 9, 1993.

*(10)(g) Employee Stock Option Plan of the Company, as amended through December 15, 1987. Incorporated by reference to Exhibit (10)(f) to the Company's Annual Report on Form 10-K for 1992.

*(10)(h) 1991 Stock Option Plan of the Company, as amended through March 19, 1991. Incorporated by reference to Exhibit (10)(g) to the Company's Annual Report on Form 10-K for 1992.

*(10)(i) Contract dated January 2, 1968 between John B. Fairchild and Fairchild Publications, Inc., as amended by contract of June 1977 between Mr. Fairchild and Capital Cities Media, Inc. (a subsidiary of the Company) as successor to Fairchild Publications, Inc. (Mr. Fairchild is an executive

officer and a director of the Company.) Incorporated by reference to Exhibit (10)(h) to the Company's Annual Report on Form 10-K for 1992.

*(10)(j) The Company's Retirement Plan for Nonemployee Directors, as adopted by Board of Directors resolution dated March 20, 1990. Incorporated by reference to Exhibit (10)(i) to the Company's Annual Report on Form 10-K for 1992.

(13) The Company's 1993 Annual Report to Shareholders. (This report, except for the portions thereof which are incorporated by reference in this Form 10-K, is furnished for the information of the Securities and Exchange Commission and is not to be deemed "filed" as part of this Form 10-K.)

(21) Subsidiaries of the Company.

(99)(a) Form 11-K for the Company's Savings & Investment Plan for the year ended December 31, 1993.

(99)(b) Undertakings.

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* Executive officers' and directors' compensation plans and arrangements.

CAPITAL CITIES/ABC, INC.
PROPERTY, PLANT AND EQUIPMENT -- SCHEDULE V

(Thousands of Dollars)

	Balance at beginning of period	Operating companies acquired	Additions at cost	R m or
Year ended December 31, 1993:				
Land and improvements......................	$ 333,816	$ 834	$ 1,561	$
Buildings and improvements.................	692,772	3,285	16,266	
Broadcasting equipment.....................	576,431	550	51,093	
Printing machinery and equipment..........	178,877	1,319	13,324	
Other, including construction-in-progress.	226,338	847	15,544	
	$2,008,234	$6,835	$ 97,788	$
Year ended December 31, 1992:				
Land and improvements......................	$ 403,482		$ 133	$
Buildings and improvements.................	633,859		38,816	
Broadcasting equipment.....................	514,799	$ 296	69,657	
Printing machinery and equipment..........	174,718	50	12,382	
Other, including construction-in-progress.	234,654	46	(6,252)	
	$1,961,512	$ 392	$114,736	$(
Year ended December 31, 1991:				
Land and improvements......................	$ 403,338		$ 221	$
Buildings and improvements.................	621,470		20,736	
Broadcasting equipment.....................	450,807		68,911	
Printing machinery and equipment..........	171,714	$ 249	7,517	
Other, including construction-in-progress.	213,731	51	23,613	
	$1,861,060	$ 300	$120,998	$

(a) Represents adjustments related to the adoption of Financial Accounting Standard No. 109 "Accounting for Income Taxes."

VALUATION AND QUALIFYING ACCOUNTS -- SCHEDULE VIII
(Thousands of Dollars)

		Additions		
	Balance at beginning of period	Operating companies acquired	Charged to expense	Ope com dis
Deducted from accounts and notes receivable:				
Year ended December 31, 1993..................	$35,114	$490	$31,876	
Year ended December 31, 1992..................	38,302	24	48,458	$(
Year ended December 31, 1991..................	37,840		51,941	

CHEDULE V

ce at ning riod	Operating companies acquired	Additions at cost	Retire- ments or sales	Other changes (a)	Balance at close of period
3,816	$ 834	$ 1,561	$ (1,492)		$ 334,719
2,772	3,285	16,266	(4,421)		707,902
6,431	550	51,093	(27,831)		600,243
8,877	1,319	13,324	(5,235)		188,285
6,338	847	15,544	(3,865)		238,864
8,234	$6,835	$ 97,788	$ (42,844)		$2,070,013
3,482		$ 133	$ (69,799)		$ 333,816
3,859		38,816	(18,683)	$38,780	692,772
4,799	$ 296	69,657	(8,321)		576,431
4,718	50	12,382	(8,273)		178,877
4,654	46	(6,252)	(2,110)		226,338
1,512	$ 392	$114,736	$(107,186)	$38,780	$2,008,234
3,338		$ 221	$ (77)		$ 403,482
1,470		20,736	(8,347)		633,859
0,807		68,911	(4,919)		514,799
1,714	$ 249	7,517	(4,762)		174,718
3,731	51	23,613	(2,741)		234,654
1,060	$ 300	$120,998	$ (20,846)		$1,961,512

f Financial Accounting

SCHEDULE VIII

	Additions		Deductions		
lance at eginning f period	Operating companies acquired	Charged to expense	Operating companies disposed	Accounts written-off, net	Balance at close of period
$35,114	$490	$31,876		$(22,830)	$44,650
38,302	24	48,458	$(8,680)	(42,990)	35,114
37,840		51,941	(30)	(51,449)	38,302

CAPITAL CITIES/ABC, INC.
ACCUMULATED DEPRECIATION AND AMORTIZATION OF PROPERTY, PLANT AND EQUIPMENT--SCHEDULE VI
(Thousands of Dollars)

	Balance at beginning of period	Charged to expense	Retire-ments or sales	Balance at close of period
Year ended December 31, 1993:				
Land improvements................	$ 3,301	$ 448	$ (91)	$ 3,658
Buildings and improvements.......	159,049	23,195	(2,006)	180,238
Broadcasting equipment...........	368,255	49,125	(25,871)	391,509
Printing machinery and equipment.	104,256	12,756	(5,074)	111,938
Other............................	57,389	9,508	(2,954)	63,943
	$692,250	$95,032	$(35,996)	$751,286
Year ended December 31, 1992:				
Land improvements................	$ 2,790	$ 578	$ (67)	$ 3,301
Buildings and improvements.......	141,876	23,691	(6,518)	159,049
Broadcasting equipment...........	326,314	49,852	(7,911)	368,255
Printing machinery and equipment.	97,262	12,294	(5,300)	104,256
Other............................	49,995	9,249	(1,855)	57,389
	$618,237	$95,664	$(21,651)	$692,250
Year ended December 31, 1991:				
Land improvements................	$ 2,404	$ 386		$ 2,790
Buildings and improvements.......	124,663	22,964	$ (5,751)	141,876
Broadcasting equipment...........	275,749	51,253	(688)	326,314
Printing machinery and equipment.	89,093	12,140	(3,971)	97,262
Other............................	47,560	9,294	(6,859)	49,995
	$539,469	$96,037	$(17,269)	$618,237

Depreciation is computed on the straight-line method over the following estimated useful lives: buildings and improvements--10 to 55 years; broadcasting equipment--4 to 20 years; printing machinery and equipment--5 to 20 years.

SUPPLEMENTARY INCOME STATEMENT INFORMATION--SCHEDULE X
(Thousands of Dollars)

	Royalties	Advertising costs
Year ended December 31, 1993............	$30,847	$136,817
Year ended December 31, 1992............	70,203	135,157
Year ended December 31, 1991............	66,191	133,018

SIGNATURES

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/ABC, INC.
(Registrant)

/s/ THOMAS S. MURPHY

(Thomas S. Murphy)
Chairman of the Board and Chief Executive Officer March 14, 1994

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated:

Principal Executive Officer:

/s/ THOMAS S. MURPHY

(Thomas S. Murphy) March 14, 1994

Principal Financial Officer:

/s/ RONALD J. DOERFLER

(Ronald J. Doerfler) March 14, 1994

Controller:

/s/ ALLAN J. EDELSON

(Allan J. Edelson) March 14, 1994

Directors:

/s/ ROBERT P. BAUMAN

(Robert P. Bauman) March 14, 1994

/s/ NICHOLAS F. BRADY

(Nicholas F. Brady) March 14, 1994

/s/ WARREN E. BUFFETT

(Warren E. Buffett) March 14, 1994

/s/ DANIEL B. BURKE

(Daniel B. Burke) March 14, 1994

/s/ FRANK T. CARY

(Frank T. Cary) March 14, 1994

/s/ JOHN B. FAIRCHILD

(John B. Fairchild) March 14, 1994

/s/ LEONARD H. GOLDENSON

*** D01 ***

(Leonard H. Goldenson)	March 14, 1994
/s/ FRANK S. JONES	
(Frank S. Jones)	March 14, 1994
/s/ ANN DIBBLE JORDAN	
(Ann Dibble Jordan)	March 14, 1994
/s/ JOHN H. MULLER, JR.	
(John H. Muller, Jr.)	March 14, 1994
/s/ THOMAS S. MURPHY	
(Thomas S. Murphy)	March 14, 1994
/s/ WYNDHAM ROBERTSON	
(Wyndham Robertson)	March 14, 1994
/s/ M. CABELL WOODWARD, JR.	
(M. Cabell Woodward, Jr.)	March 14, 1994

*** D02 ***

Exhibit (10)(e)

Restated to reflect
amendments adopted through
January 1, 1994

BENEFIT EQUALIZATION PLAN

OF

CAPITAL CITIES/ABC, INC.

I. Purpose of Plan

The purpose of this Plan is to provide a means of equalizing the benefits of those employees participating in the Capital Cities/ABC, Inc. Retirement Plan (the "Retirement Plan"), the Capital Cities/ABC, Inc. Savings & Investment Plan (the "Savings Plan") and, after December 31, 1988, the Capital Cities/ABC, Inc. Supplemental Pension Plan (the "Supplemental Plan") whose funded benefits under the Retirement Plan, the Savings Plan, the Supplemental Plan or any of them are or will be limited by application of Sections 415 and 401(a)(17) of the Internal Revenue Code of 1986 (the "Code").

The "Employing Corporation" means Capital Cities/ABC, Inc. (the "Corporation") or any corporation participating in the Retirement Plan, the Savings Plan or the Supplemental Plan which employs any member in the Plan.

II. Administration of the Plan

The Pension Committee of the Retirement Plan shall administer the Plan. The Committee shall have the authority, in its sole discretion, to construe the Plan; to decide all questions relating to the eligibility of any individual to participate in the Plan or to his or her entitlement to benefits under the Plan; to prescribe, amend and rescind rules and regulations relating to the Plan, and to make, amend or revoke all determinations and decisions necessary or advisable for administering the Plan. The Committee may employ and rely on such legal counsel, such actuaries, such accountants and such agents as it may deem advisable to assist in the administration of the Plan. Decisions of the Committee shall be conclusive and binding on all persons.

III. Participation in the Plan

Only employees who are members of the Retirement Plan and/or members of the Savings Plan and/or members of the Supplemental Plan and (i) who are officers of the Corporation or an Employing Corporation elected by the Board of Directors of such corporations or (ii) who have the title of vice president or higher or (iii) who are management employees designated to participate by the Committee (and whose designation has not been revoked by the Committee) shall be eligible to participate in this Plan whenever their benefits under the Retirement Plan or the Savings Plan or the Supplemental Plan as from time to time in effect would exceed the limitations on benefits and contributions imposed by Section 415 of the Code calculated from and after September 2, 1974 or would be limited by the application of Section 401(a)(17) of the Code from and after January 1, 1989. Under clause (iii) above, the Committee may in its discretion designate any management employee to participate in one or more of the Retirement Plan, the Savings Plan and the Supplemental Plan and not in the remaining plan or plans.

For purposes of this Plan, the benefits under the Retirement Plan, the Savings Plan and/or the Supplemental Plan of a participant in this Plan shall be determined without regard for any provision contained in such Plans incorporating limitations imposed by Sections 415 and 401(a)(17) of the Code and without regard to the effect of any qualified domestic relations order, as described in Section 206(d) of the Employee Retirement Income Security Act of 1974, as amended, awarding any portion of such benefit to a former spouse or qualified dependent.

IV. Equalized Benefits Related to the Retirement Plan

The Employing Corporation shall pay to each of its eligible members of the Retirement Plan or their beneficiaries a supplemental pension benefit equal to the benefit which would have been payable to them under the Retirement Plan, without regard for any provision of the Retirement Plan incorporating limitations imposed by Sections 415 and 401(a)(17) of the Code and without regard for the provision of the Retirement Plan under which a member's benefit is determined as the sum of a pre-1994 portion and a post-1993 portion in order to mitigate the effect of the 1993 amendment to Code Section 401(a)(17), to the extent that such benefit otherwise payable under the Retirement Plan exceeds the limitations imposed by Sections 415 and 401(a)(17) of the Code. Such supplemental pension benefits shall be payable in accordance with all the terms and conditions applicable to the member's benefits under the Retirement Plan, including whatever optional benefits he may have elected. If a member's benefits under the Retirement Plan are to continue after his death for the benefit of his spouse or a designated beneficiary, then any participant in this Plan shall have the right at any time to change the recipient of the survivorship benefit payable under this Plan; provided, however, any such change, if made after the applicable deadline set forth in the Retirement Plan, shall not affect the amount of the benefit payable under this Plan as originally calculated or the term for which such benefit is payable, also as originally calculated.

V. Equalized Benefits Related to the Savings Plan

When the contributions for a member in the Savings Plan have met the limitations imposed by Sections 415 and 401(a)(17) of the Code for any year, the member shall no longer be permitted to make Tax Deferred Contributions or Taxed Contributions to the Savings Plan or to participate in Company contributions under the Savings Plan during that year.

The Corporation shall maintain a book account for each such member in this Plan to which the Employing Corporation shall credit an amount equal to the amount which would have been credited, but was not credited, to the member's account under the Savings Plan had he been permitted to make additional matched Tax Deferred Contributions or matched Taxed Contributions to the Trust Fund under the terms of the Savings Plan. Except as provided in the next sentence, a member whose Tax Deferred Contributions or Taxed Contributions are ended in any plan year after 1986 by reason of the limitations imposed by Sections 415 and 401(a)(17) of the Code shall have amounts credited to his account under this Article only if he shall have elected, at the time and in the manner determined by the Committee, to have his salary otherwise payable to him reduced on an after-tax basis, in the same manner as if he had made Taxed Contributions into the Savings Plan. A member of the Savings Plan who has received any credit under this Article for any period prior to 1987 shall have amounts credited to his account under this Article after 1986 only if he shall have elected, at the time and in the manner determined by the Committee, to have his salary otherwise payable to him deferred under this Plan. The aggregate amount of any salary reductions or deferrals shall be added to the member's book account under this Plan, and the member's rights in such salary reductions or deferrals shall be fully vested. The Corporation shall distribute to each member in this Plan or his beneficiary an amount in cash equal to the value of his book account attributable to his deemed Tax Deferred Contributions or Taxed Contributions and the deemed contributions by the Employing Corporation for each year at the same times and under the same terms and conditions as set forth in the Savings Plan. If a member's benefits under the Savings Plan are to continue after his death for the benefit of his spouse or a designated beneficiary, then the member shall have the right at any time to change the recipient of the survivorship benefit payable under this Plan; provided, however, any such change, if made after the applicable deadline set forth in the Savings Plan, shall not affect the amount of the benefit payable under this Plan as originally calculated or the term for which such benefit is payable, also as originally calculated.

VI. Equalized Benefits Related to the Supplemental Plan

The Employing Corporation shall pay to each of its eligible members of the Supplemental Plan or their beneficiaries a supplemental pension benefit equal to the benefit which would have been payable to them under the Supplemental Plan, without regard for any provision therein incorporating limitations imposed by Sections 415 and 401(a)(17) of the Code, to the extent that such benefit otherwise payable under the Supplemental Plan exceeds the limitations imposed by Sections 415 and 401(a)(17) of the Code. Such supplemental pension benefits shall be payable in accordance with all the terms and conditions applicable to the member's benefits under the Supplemental Plan, including whatever optional benefits he may have elected. If a member's benefits under the Supplemental Plan are to continue after his death for the benefit of his spouse or a designated beneficiary, then any participant in this Plan shall have the right at any time to change the recipient of the survivorship benefit payable under this Plan;

provided, however, any such change, if made after the applicable deadline set forth in the Supplemental Plan, shall not affect the amount of the benefit payable under this Plan as originally calculated or the term for which such benefit is payable, also as originally calculated.

VII. Trigger Events

(a) For the purpose of this Plan, a "Trigger Event" shall mean

(i) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person"), other than Berkshire Hathaway, Inc., a Delaware corporation ("Berkshire"), or any Affiliate or Associate (as hereinafter defined) of Berkshire (Berkshire and such Affiliate and Associate being hereinafter referred to collectively as the "Berkshire Group"), in one or more transactions, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of an aggregate of 20% or more of either (x) the then outstanding shares of common stock of the Corporation (the "Outstanding Company Common Stock") or (y) the combined voting power of the then outstanding voting securities of the Corporation entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that the following acquisitions shall not constitute a Trigger Event: (A) any acquisition directly from the Corporation (excluding an acquisition by virtue of the exercise of a conversion privilege), provided that the Person acquiring such Outstanding Company Common Stock or Outstanding Company Voting Securities beneficially owns less than 5% of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such acquisition, (B) any acquisition by the Corporation, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Corporation or any Affiliate of the Corporation or (D) any acquisition by any corporation pursuant to a transaction described in clauses (A), (B) and (C) of paragraph (iv) below; or

(ii) The acquisition by any one or more of the Berkshire Group, in one or more transactions, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of more than 30% (the "Prohibited Percentage") of either the Outstanding Company Common Stock or the Outstanding Company Voting Securities, provided, however, that any such acquisition shall not constitute a Trigger Event if the Berkshire Group shall have attained the Prohibited Percentage (A) as the result of an acquisition of Outstanding Company Common Stock or Outstanding Company Voting Securities by the Corporation which, by reducing the number of shares outstanding, increases the proportionate number of shares owned by the Berkshire Group to the Prohibited Percentage or (B) with the consent of the Corporation's Board of Directors in accordance with an Agreement dated January 2, 1986 between the Corporation and Berkshire, provided however, that if the Berkshire Group shall become the beneficial owner of more than 30% of such securities pursuant to clauses (A) or (B) of this paragraph (ii), and shall thereafter acquire any additional Outstanding Company Common Stock or Outstanding Company Voting Securities other than pursuant to clause (B) of this paragraph (ii), then such acquisition shall constitute a Trigger Event; or

(iii) Individuals who constitute the Incumbent Board (as hereinafter defined) cease for any reason to constitute at least a majority of the Board of Directors of the Corporation (the "Board"). "Incumbent Board" shall mean individuals who as of December 14, 1989, constitute the Board and any individual who becomes a director subsequent to December 14, 1989, whose election, or nomination for election by the Corporation's shareholders, is approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(iv) Approval by the shareholders of the Corporation of a reorganization, merger or consolidation, in each case unless, following such reorganization, merger or consolidation, (A) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such reorganization, merger or consolidation beneficially own, directly or indirectly, more than 60% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such reorganization, merger or consolidation in substantially the same proportions as their ownership, immediately prior to such reorganization, merger or consolidation of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding the Corporation, any employee benefit plan (or related trust) of the Corporation and the Berkshire Group) beneficially owns, directly or indirectly, 20% or more, and the Berkshire Group does not beneficially own, directly or indirectly, more than 30%, of, respectively, the then outstanding shares of common stock of the corporation resulting from such reorganization, merger or consolidation or the combined voting power of the then outstanding voting securities of such corporation and (C) at least a majority of the members of the Board of Directors of the corporation resulting from such reorganization, merger or consolidation were members of the Incumbent Board at the time of the execution of the initial agreement providing for such reorganization, merger or consolidation; or

(v) Approval by the shareholders of the Corporation of (x) a complete liquidation or dissolution of the Corporation or (y) the sale or other disposition of all or substantially all of the assets of the Corporation, other than to a corporation with respect to which, following such sale or other disposition, (A) more than 60% of, respectively, the then outstanding shares of common stock of such corporation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such sale or other disposition in substantially the same proportion as their ownership, immediately prior to such sale or other disposition, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding the Corporation, any employee benefit plan (or related trust) of the Corporation and the Berkshire Group) beneficially owns, directly or indirectly, 20% or more, and the Berkshire Group does not beneficially own, directly or indirectly, more than 30% of, respectively, the then outstanding shares of common stock of the corporation resulting from such reorganization, merger or consolidation or the combined voting power of the then outstanding voting securities of such corporation and (C) at least a majority of the members of the board of directors of such corporation were members of the Incumbent Board at the time of the execution of the initial agreement or action of the Board providing for such sale or other disposition of assets of the Corporation.

For the purpose of this Section, the terms "Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Exchange Act, as in effect on December 14, 1989.

(b) Upon the occurrence of a Trigger Event, as defined in this Section VII, the following provisions of this Section VII shall apply.

(c) All benefits under the Plan shall be completely nonforfeitable.

(d) The amount of benefits to which a participant shall be entitled under this Plan shall be the aggregate amount determined under the foregoing Sections of this Plan as of the date of the occurrence of the Trigger Event upon the assumption that such participant's benefits under the Retirement Plan, the Savings Plan and/or the Supplemental Plan were then fully vested and nonforfeitable.

(e) All benefits to which a participant is entitled under this Plan shall be paid to him or his designated beneficiary(ies), as the case may be, in a single lump-sum distribution immediately after the occurrence of the Trigger Event.

VIII. Claims

If any claim for benefits under the Plan is denied for any reason, written notice of such denial shall be given within 30 days thereafter to the participant or beneficiary on whose behalf the claim is made. Upon the written request of such participant or beneficiary delivered to the Committee within 60 days after such notice has been given, the Committee will fully review the denial of such benefits and will cause due notice of the results of its review to be given to the affected participant or beneficiary.

IX. Miscellaneous

This Plan may be terminated at any time by the Board of Directors of the Corporation, in which event the rights of participants to their accrued supplemental pension benefits and in their book accounts established under this Plan (to the extent not otherwise vested under the provisions of Article V) shall vest. This Plan may also be amended at any time by the Board of Directors of the Corporation, except that no such amendment shall deprive any participant of his supplemental pension benefit accrued at the time of such amendment or reduce the amount then credited to his book account established under this Plan.

Benefits payable under this Plan shall not be funded and shall be paid out of the general funds of the Employing Corporation.

This Plan shall be construed, administered and enforced according to the laws of the State of New York.

*** E05 ***

Exhibit (10)(f)

INCENTIVE COMPENSATION PLAN
OF
CAPITAL CITIES/ABC, INC.
(As amended through December 9, 1993)

I. PURPOSE OF PLAN

This Incentive Compensation Plan of Capital Cities/ABC, Inc. (the "Corporation") is designed to provide an incentive for the key employees of the Corporation and its present and future subsidiaries who are expected to make substantial contributions to the growth and success of the Affiliated Group (as hereinafter defined), by providing those employees with additional amounts of compensation measured by the value of the shares of the Corporation's Common Stock.

II. DEFINITIONS

(a) "Affiliated Group" means the Corporation and its subsidiaries. A "subsidiary" is any corporation, more than 50% of the stock of which is owned by the Corporation, its subsidiary or subsidiaries, or any combination of them.

(b) "Committee" means the Committee provided for in Section IV to administer this Plan.

(c) "Common Stock" means the Common Stock, $1 par value, of the Corporation.

(d) "Designated Beneficiary" means the beneficiary(ies) designated by the Participant for this Plan. If the Participant has not designated any beneficiary or if no beneficiary designated by the Participant survives the Participant, the Designated Beneficiary(ies) shall be deemed to be:

(i) the Participant's surviving spouse; or, if none
(ii) the Participant's surviving children, as equal beneficiaries; or, if none
(iii) the Participant's surviving parents, as equal beneficiaries; or, if none
(iv) the Participant's surviving brothers and sisters, as equal beneficiaries; or, if none
(v) the Participant's estate.

The Committee shall be entitled to rely on a written statement by the deceased Participant's personal representative(s) in determining the identity of his Designated Beneficiary(ies).

If a Participant's Designated Beneficiary survives the Participant but dies before receiving all payments to which such Designated Beneficiary is entitled, the remaining payments shall be made to the Designated Beneficiary's estate.

(e) "Determination Date" means, with respect to a given Unit Account (and the related Interest Account), the earlier of

(i) the date of the termination of the Participant's employment within the Affiliated Group; and

(ii) the date the Participant completes five (5) years of continuous employment with one or more members of the Affiliated Group from and after the date of grant of the Units in the Unit Account.

(f) "Disability" means the total inability of a Participant to perform his assigned duties due to mental or physical disability established to the satisfaction of his employer on the basis of competent medical evidence, without regard to the degree of incapacity of such Participant.

(g) (i) "Fair Market Value" of one share of Common Stock means

(A) for the purpose of determining the amount of benefits to which a Participant is entitled with respect to the Units in a particular Unit Account, in accordance with the provisions of Section IX(b)(i), where the Participant has completed at least five (5) years of continuous employment with one or more members of the Affiliated Group from and after the date of grant of such Units, the average of the closing prices of the Common Stock on the principal securities exchange on which the Common Stock is traded

(1) on the date as of which Fair Market Value is to be determined (the "Valuation Date") and

(2) on the first trading day of each of the six (6) calendar months commencing in the half-year preceding the Valuation Date on which there was at least one sale of Common Stock.

(B) for all other purposes of the Plan, the average of the closing prices of the Common Stock on the principal securities exchange on which the Common Stock is traded on the Valuation Date and on the five (5) trading days next preceding and the five (5) trading days next following the Valuation Date on which there was at least one sale of Common Stock.

(ii) If there are no sales of Common Stock on a Valuation Date, the next previous trading day on which there was at least one such sale shall be the Valuation Date.

(iii) If the Common Stock is not listed on any securities exchange on a date described in this paragraph (g), the mean between the highest closing bid and the lowest closing asked prices in the over-the-counter market on such date shall be substituted for the securities exchange closing price of the Common Stock for such date.

(h) "Participant" means any individual who is selected by the Committee to participate in the Plan.

(i) "Plan" means this Incentive Compensation Plan of Capital Cities/ABC, Inc.

(j) "Units" means the units granted to a Participant by the Committee which are the basis for determining his benefits under the Plan. Each Unit shall correspond and be equal to one share of Common Stock.

(k) The masculine gender shall include the feminine, and the singular shall include the plural, unless the context otherwise requires.

III. MAXIMUM NUMBER OF UNITS SUBJECT TO GRANT

The number of Units which may be granted under the Plan shall not exceed 1,100,000. Any expired Units as to which no benefits have been paid shall again be available to be granted under the Plan.

IV. ADMINISTRATION OF THE PLAN

The Plan shall be administered by the Corporation's Compensation Committee; provided, however, that the Board of Directors of the Corporation, in its discretion, may appoint another and different committee to administer the Plan; and provided, further, that

(i) any committee which administers the Plan (including the Compensation Committee) shall at all times comprise at least three individuals and

(ii) all members of any such committee shall be ineligible to participate in the Plan or any other plan of any member of the Affiliated Group which entitles participants to acquire stock, stock options or stock appreciation rights of any member of the Affiliated Group (and shall have been ineligible for such participation for at least one year prior to becoming members of the committee).

Subject to the express provisions of the Plan, the Committee shall have the authority, in its sole discretion, to construe the Plan; to decide all questions relating to the eligibility of any individual to participate in the Plan or his entitlement to benefits under the Plan; to prescribe, amend and rescind rules and regulations relating to the Plan; and to make, amend or revoke all determinations and decisions necessary or advisable for administering the Plan.

The Committee shall also have the authority, in its sole discretion, to cause any part or all of the benefits due to any Participant under the Plan to be paid to such Participant or his Designated Beneficiary(ies), as the case may be, at such time and in such form as the Committee shall consider to be in the best interests of the Corporation, notwithstanding any provision of the Plan (other than Section XVI) or any election by the Participant which would require such benefits to be paid at a different time or in a different form. The Committee shall not have the authority to cause any benefits payable following the occurrence of a Trigger Event (as defined in Section XVI) to be paid at any time or in any form other than as prescribed in Section XVI.

All determinations and decisions of the Committee shall be made by a majority of the Committee and shall be binding on all persons.

No member of the Committee shall incur any liability for anything done or omitted to be done by him, excepting only for his own wilful misconduct. The Corporation shall indemnify the members of the Committee and hold each of them harmless for and against any liability which may be asserted against them or any of them on account of their actions or omissions to act as Committee members.

In exercising the powers granted to it under the Plan, the Committee may, but need not, consult with the Corporation's management. The Committee may engage and consult with counsel of its choice and shall be fully protected in relying or acting upon the opinion of such counsel.

V. SELECTION OF PARTICIPANTS

The Committee, in its sole discretion, shall determine the individuals who are to be Participants in the Plan.

VI. INCENTIVE COMPENSATION LEDGER

The Committee shall establish an appropriate record to be called the "Incentive Compensation Ledger". Upon any grant of Units to a Participant by the Committee, the Committee shall open a Unit Account and an Interest Account in the Incentive Compensation Ledger for such Participant with respect to such grant. A separate Unit Account and Interest Account shall be opened for each grant of Units.

Each set of accounts shall indicate the name of the Participant; the number of Units granted and their Fair Market Value from time to time and their dollar floor (if any); the date such Units were granted; the amount accumulated from time to time in the Interest Account; the number of Units as to which benefits have been paid; the amount of such benefits; whether such benefits were paid in cash, in Common Stock, or both; and such other information as the Committee shall determine. If a Participant has more than one set of accounts in the Incentive Compensation Ledger, each set shall be treated and considered separately as if no other set of accounts existed for such Participant.

VII. GRANTS AND CREDITS UNDER THE PLAN

(a) Upon the selection of any individual to be a Participant, the Committee, acting in its sole discretion, shall grant to him such number of Units as it shall determine and shall also determine the amount of the dollar floor, if any, to be applicable to such Units. Such number of Units and/or dollar floor amount may, in the sole discretion of the Committee, be the same as or different than those with respect to the grant of Units to any other individual. Such Units shall be recorded in the Unit Account opened in accordance with the provisions of Section VI.

(b) As at the December 31 immediately following the grant of Units to a Participant and their recordation in a Unit Account, the Corporation shall make a credit to the related Interest Account. Such credit shall be in an amount equal to six (6%) percent of the excess (if any) of the then Fair Market Value of the Units over their dollar floor (if any), multiplied by a fraction the numerator of which is the number of days from the date of grant of the Units to the December 31 immediately following it, and the denominator of which is 365.

(c) As at December 31 in each subsequent calendar year ending prior to the Determination Date, the Corporation shall make a credit to the related Interest Account in an amount equal to six (6%) percent of the excess (if any) of the then Fair Market Value of the Units in the Unit Account (as to which benefits have not been paid) over their dollar floor (if any).

(d) The last credit to an Interest Account under this Section shall be made as at the end of the calendar month coinciding with or immediately following the Determination Date with respect to the Units in the related Unit Account. Such credit shall be in an amount equal to six (6%) percent of the excess (if any) of the Fair Market Value of such Units as at the Determination Date over their dollar floor (if any) multiplied by a fraction, the numerator of which is the number of months from the January 1 coinciding with or immediately preceding the Determination Date with respect to such Units to the date as of which the credit under this paragraph is made, and the denominator of which is 12. This paragraph shall not apply if the Determination Date with respect to any Units occurs in the calendar year in which such Units were granted.

(e) The percentage rate to be credited to Interest Accounts under this Section may be changed at any time and from time to time by the Committee, in its sole discretion.

(f) At any time after an original grant of Units to a Participant, the Committee may grant to him such additional number of Units as it, in its sole discretion, may determine.

VIII. NONFORFEITABILITY OF BENEFITS

(a) A Participant shall have a nonforfeitable right in a percentage of the benefits represented by the Units in a Unit Account based upon his number of full years of continuous employment with one or more members of the Affiliated Group from and after the date of grant of the Units, as follows:

Number of years of employment	Nonforfeitable percentage
less than one year	zero
1 year	15%
2 years	30%
3 years	50%
4 years	75%
5 years	100%

(b) A Participant shall not have a nonforfeitable right to any part of the amount in an Interest Account until he has completed five (5) full years of continuous employment with one or more members of the Affiliated Group from and after the date of grant of the Units in the related Unit Account. Thereafter, the Participant's right to the entire amount in the Interest Account shall be entirely nonforfeitable.

(c) In the event that a Participant's employment within the Affiliated Group is terminated for any reason other than voluntarily on his own part then, notwithstanding the provisions of paragraphs (a) and (b) of this Section, the Committee, in its sole discretion, may increase the percentage of the Participant's nonforfeitable rights in the Units in any of his Unit Accounts and/or the amount actually credited to any of his Interest Accounts as of the end of the calendar month coinciding with or immediately following the date of the Participant's termination of employment.

(d) In the event that a Participant's employment within the Affiliated Group is terminated on account of his malfeasance then, notwithstanding the provisions of paragraphs (a) and (b) of this Section, the Committee, in its sole discretion, may declare forfeit the Participant's rights in the Units in any or all of his Unit Accounts and/or in any or all of his Interest Accounts.

(e) No Participant shall have any rights to benefits under this Plan except under the conditions set forth in this Section.

IX. PAYMENT OF BENEFITS

(a) Except as otherwise provided in Section X, the amounts to which a Participant is entitled under paragraphs (b) and (c) with respect to a particular Unit Account (and the related Interest Account) shall be paid to him or his Designated Beneficiary(ies), as the case may be, in a single lump-sum distribution within the sixty (60) day period following the end of the calendar year in which the Determination Date occurs with respect to such accounts (the "Determination Year"); provided, however, that the Committee may determine, in its sole discretion, to cause such distribution to be made prior to the end of the Determination Year.

(b) The amount of benefits to which a Participant shall be entitled with respect to a particular Unit Account (and the related Interest Account) shall be the sum of

(i) (A) the number of Units in the Unit Account, multiplied by

(B) the excess (if any) of the Fair Market Value of one share of Common Stock on the Determination Date over the dollar floor (if any) applicable to one Unit in the particular Unit Account, multiplied by

(C) the Participant's nonforfeitable percentage with respect to the Unit Account, as determined under Section VIII(a), (c) and (d), plus

(ii) (A) the amount credited to the related Interest Account immediately after the most recent credit was made to it, pursuant to Section VII (b) through (d), multiplied by (B) the Participant's nonforfeitable percentage with respect to the Interest Account, as determined under Section VIII(b), (c) and (d).

(c) As at the end of each calendar month which begins after the Determination Date with respect to a particular Unit Account (and the related Interest Account), the Corporation shall make a credit to the Interest Account in an amount equal to the product of:

(i) (A) the amount of benefits to which the Participant is entitled with respect to such accounts, as determined under Paragraph (b), minus

(B) any amount of benefits previously paid with respect to such accounts, plus

(C) any amount(s) credited to the Interest Account under this Paragraph (c) through the previous December 31, and

(ii) one-twelfth (1/12) of seventy-five (75%) percent of the prime rate of interest at Citibank in New York City as of the first business day of such month.

The last credit to an Interest Account under this paragraph shall be made as at the end of the calendar month coinciding with or immediately preceding the first date when the Participant has no further rights in any Units in the Unit Account (whether because benefits have been paid with respect to such Units or otherwise).

(d) In the discretion of the Committee, the benefits to which a Participant is entitled with respect to a particular Unit Account (and the related Interest Account) shall be paid either (i) entirely in cash (ii) entirely in Common Stock or (iii) partly in cash and partly in Common Stock, the proportions to be determined by the Committee in its discretion. If any part of a Participant's benefits are to be paid in Common Stock, the number of shares to be distributed in any calendar year shall be determined based on the Fair Market Value of the Common Stock as at December 31 of the previous year. The amount of cash to be distributed in any calendar year in payment of a Participant's benefits shall equal the excess of

(i) the total amount of benefits to be distributed to the Participant in such year over

(ii) the product of

(A) the number of shares of Common Stock to be distributed to him in such calendar year, and

(B) the closing price of the Common Stock on the principal securities exchange on which the Common Stock is traded on the business day next preceding the date of distribution.

(e) Notwithstanding the provisions of paragraph (d), no fractional shares of Common Stock shall be delivered in payment of any benefit under the Plan. The dollar value of any such fractional shares shall be paid in cash.

(f) Notwithstanding the provisions of paragraph (d), a Participant's benefits which are payable on account of his death or the termination of his employment because of Disability shall be paid entirely in cash.

X. OPTIONAL FORMS OF PAYMENT OF BENEFITS

(a) At any time up to the fifteenth (15th) day prior to the Determination Date with respect to a particular Unit Account (and the related Interest Account), a Participant may elect that the benefits to which he is entitled with respect to the accounts:

(i) shall be paid in five (5) annual installments commencing within sixty (60) days after the end of the Determination Year,

(ii) shall be paid in a single lump-sum distribution within the sixty (60) day period following the end of the calendar year in which his termination of employment within the Affiliated Group occurs (the "Employment Termination Year"); provided, however, that the Committee may determine, in its sole discretion, to cause such distribution to be made in December of the Employment Termination Year,

(iii) shall be paid in five (5) annual installments commencing within sixty (60) days after the end of the Employment Termination Year,

(iv) shall be paid (or commence to be paid) at such other time and/or in such other form as the Committee, in its sole discretion, may approve.

(b) The elections provided by this Section shall be subject to the following rules:

(i) All elections shall be made (or revoked) in writing;

(ii) A Participant shall have the right to make any of the elections provided by this Section separately for each set of Unit and Interest Accounts in his name in the Incentive Compensation Ledger;

(iii) Any election made under paragraph (a) may be revoked and/or made again within the time provided by paragraph (a);

(iv) Where a Participant has elected to receive his benefits in installments, the amount of any installment shall be the remaining balance due the Participant with respect to the particular Unit Account (and the related Interest Account) multiplied by a fraction the numerator of which is one (1) and the denominator of which is the number of installments remaining to be paid (inclusive of the installment then to be paid);

(v) Any election made under paragraph (a) shall not be given effect if, in the judgment of the Committee, the Participant would be taxable on any part of his benefits in a year earlier than the one in which he would receive such benefits pursuant to his election;

(vi) No election with respect to a particular Unit Account (and the related Interest Account) shall be given effect unless the Participant completes five (5) years of continuous employment with one or more members of the Affiliated Group from and after the date of grant of the Units in the Unit Account.

XI. NONALIENATION OF BENEFITS

No right or benefit under this Plan shall be subject to anticipation, alienation, sale, assignment, pledge, encumbrance, charge, levy, attachment or execution of judgments of any kind. No right or benefit under this Plan shall in any manner be liable for or subject to the debts, contract liabilities or torts of the person entitled to such rights or benefits.

XII. INVESTMENT UNDERTAKING

In connection with the grant of a Unit or the issuance of Common Stock with respect to it, each Participant may be required to represent and agree, as a condition precedent to such grant or issuance, that

(a) in the event any payment under the Plan is made in the form of shares of Common Stock, such shares will be acquired for investment and not with a view to their distribution, unless such shares shall be registered under an effective registration statement under the Securities Act of 1933, as amended; and

(b) at the time of issuance of such shares he will, if so requested, reconfirm in writing to the Corporation such investment undertaking.

The Corporation, if it deems it advisable, may place on the certificates representing such shares an appropriate legend with respect to the registration of the shares.

XIII. AMENDMENT AND TERMINATION OF PLAN

The Board of Directors of the Corporation, in its discretion and at any time, may terminate the Plan or adopt such amendments or modifications of the Plan as it may deem advisable. No such amendment or modification shall deprive any Participant of any right to which he has previously become entitled under the Plan.

XIV. APPROVAL OF SHAREHOLDERS

No shares of Common Stock shall be issued under the Plan until and unless the Plan has been approved by the shareholders of the Corporation. In the event that, subsequent to the approval of the Plan by the shareholders, the Plan shall be amended or modified by the Board of Directors of the Corporation to increase the number of Units that may be granted under the Plan, no shares of Common Stock shall be issued under the Plan with respect to such additional Units until and unless the amendment or modification of the Plan with respect to such additional Units has been approved by the shareholders of the Corporation.

XV. ADJUSTMENTS UPON CHANGES IN CAPITALIZATION

If the outstanding shares of Common Stock are increased, decreased, changed into, or exchanged for a different number or kind of shares or other securities of the Corporation or any other corporation through reorganization, merger, consolidation, recapitalization, reclassification, combination, exchange of shares, stock split-up, payment of a stock dividend or other capital adjustment, an appropriate and proportionate adjustment shall be made in each account in the Incentive Compensation Ledger with respect to the number of Units granted to a Participant. Unless the context indicates to the contrary, all references to the number of Units in this Plan shall mean such number as may be adjusted pursuant to the provisions of this Section XV.

Adjustments under this Section shall be made by the Committee, whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive.

XVI. TRIGGER EVENTS

(a) For the purpose of this Plan, a "Trigger Event" shall mean

(i) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) (a "Person"), other than Berkshire Hathaway, Inc., a Delaware corporation ("Berkshire"), or any Affiliate or Associate (as hereinafter defined) of Berkshire (Berkshire and such Affiliate and Associate being hereinafter referred to collectively as the "Berkshire Group"), in one or more transactions, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of an aggregate of 20% or more of either (x) the then outstanding shares of common stock of the Corporation (the "Outstanding Company Common Stock") or (y) the combined voting power of the then outstanding voting securities of the Corporation entitled to vote generally in the election of directors (the "Outstanding Company

Voting Securities"); provided, however, that the following acquisitions shall not constitute a Trigger Event: (A) any acquisition directly from the Corporation (excluding an acquisition by virtue of the exercise of a conversion privilege), provided that the Person acquiring such Outstanding Company Common Stock or Outstanding Company Voting Securities beneficially owns less than 5% of the Outstanding Company Common Stock and the Outstanding Company Voting Securities immediately prior to such acquisition, (B) any acquisition by the Corporation, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Corporation or any Affiliate of the Corporation or (D) any acquisition by any corporation pursuant to a transaction described in clauses (A), (B) and (C) of paragraph (iv) below; or

(ii) The acquisition by any one or more of the Berkshire Group, in one or more transactions, of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of more than 30% (the "Prohibited Percentage") of either the Outstanding Company Common Stock or the Outstanding Company

Voting Securities, provided, however, that any such acquisition shall not constitute a Trigger Event if the Berkshire Group shall have attained the Prohibited Percentage (A) as the result of an acquisition of Outstanding Company Common Stock or Outstanding Company Voting Securities by the Corporation which, by reducing the number of shares outstanding, increases the proportionate number of shares owned by the Berkshire Group to the Prohibited Percentage or (B) with the consent of the Corporation's Board of Directors in accordance with an Agreement dated January 2, 1986 between the Corporation and Berkshire, provided however, that if the Berkshire Group shall become the beneficial owner of more than 30% of such securities pursuant to clauses (A) or (B) of this paragraph (ii), and shall thereafter acquire any additional Outstanding Company Common Stock or Outstanding Company Voting Securities other than pursuant to clause (B) of this paragraph (ii), then such acquisition shall constitute a Trigger Event; or

(iii) Individuals who constitute the Incumbent Board (as hereinafter defined) cease for any reason to constitute at least a majority of the Board of Directors of the

Corporation (the "Board"). "Incumbent Board" shall mean individuals who as of December 14, 1989, constitute the Board and any individual who becomes a director subsequent to December 14, 1989, whose election, or nomination for election by the Corporation's shareholders, is approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board; or

(iv) Approval by the shareholders of the Corporation of a reorganization, merger or consolidation, in each case unless, following such reorganization, merger or consolidation, (A) all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such reorganization, merger or consolidation beneficially own, directly or indirectly, more than 60% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such reorganization, merger or consolidation in substantially the same proportions as their ownership, immediately prior to such reorganization, merger or consolidation of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding the Corporation, any employee benefit plan (or related trust) of the Corporation and the Berkshire Group) beneficially owns, directly or indirectly, 20% or more, and the Berkshire Group does not beneficially own, directly or indirectly, more than 30%, of, respectively, the then outstanding shares of common stock of the corporation resulting from such reorganization, merger or consolidation or the combined voting power of the then outstanding voting securities of such corporation and (C) at least a majority of the members of the Board of Directors of the corporation resulting from such reorganization, merger or consolidation were members of the Incumbent Board at the time of the execution of the initial agreement providing for such reorganization, merger or consolidation; or

(v) Approval by the shareholders of the Corporation of (x) a complete liquidation or dissolution of the Corporation or (y) the sale or other disposition of all or substantially all of the assets of the Corporation, other than to a corporation with respect to which, following such sale or other disposition, (A) more than 60% of, respectively, the then outstanding shares of common stock of such corporation and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such sale or other disposition in substantially the same proportion as their ownership, immediately prior to such sale or other disposition, of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be, (B) no Person (excluding the Corporation, any employee benefit plan (or related trust) of the Corporation and the Berkshire Group) beneficially owns, directly or indirectly, 20% or more, and the Berkshire Group does not beneficially own, directly or indirectly, more than 30% of, respectively, the then outstanding shares of common stock of the corporation resulting from such reorganization, merger or consolidation or the combined voting power of the then outstanding voting securities of such corporation and (C) at least a majority of the members of the board of directors of such corporation were members of the Incumbent Board at the time of the execution of the initial agreement or action of the Board providing for such sale or other disposition of assets of the Corporation.

For the purpose of this Section, the terms "Affiliate" and "Associate" shall have the respective meanings ascribed to such terms in Rule 12b-2 of the

General Rules and Regulations under the Exchange Act, as in effect on December 14, 1989.

(b) For the purpose of this Plan, the "Trigger Event Fair Market Value" shall be the higher of (x) the highest reported sales price, regular way, of a share of Common Stock on the principal securities exchange on which the Common Stock is listed during the sixty (60) day period prior to the date of the occurrence of a Trigger Event and (y) if a Trigger Event occurs as the result of a transaction or series of transactions described in paragraphs (i), (ii), (iv) or (v) of the definition of "Trigger Event" set forth in this Section XVI, the highest price per share of Common Stock paid in such transaction or series of transactions (in the case of a Trigger Event described in paragraphs (i) or (ii) of such definition), as reflected in a Schedule 13D filed by the person having made the acquisition.

(c) Upon the occurrence of a Trigger Event, as defined in this Section XVI, the following provisions of this Section XVI shall apply and Sections VIII through X of this Plan shall not apply.

(d) All benefits represented by the Units in all Unit Accounts and the amounts credited to all Interest Accounts shall be completely nonforfeitable.

(e) The amount of benefits to which a Participant shall be entitled with respect to the Units in a particular Unit Account (and the related Interest Account) as to which the Determination Date occurred prior to the occurrence of the Trigger Event shall be the sum of

(i) (A) the number of Units in the Unit Account, multiplied by

(B) the excess (if any) of the Fair Market Value of one share of Common Stock on the Determination Date over the dollar floor (if any) applicable to one Unit in the particular Unit Account, plus

(ii) the amount credited to the related Interest Account as of the date of the occurrence of the Trigger Event.

(f) The amount of benefits to which a Participant shall be entitled with respect to the Units in a particular Unit Account (and the related Interest Account) as to which the Determination Date has not occurred prior to the occurrence of the Trigger Event shall be the sum of

(i) (A) the number of Units in the Unit Account, multiplied by

(B) the excess (if any) of the Trigger Event Fair Market Value over the dollar floor (if any) applicable to one Unit in the particular Unit Account, plus

(ii) the amount credited to the related Interest Account as of the date of the occurrence of the Trigger Event.

(g) All benefits to which a Participant is entitled with respect to the Units in a particular Unit Account (and the related Interest Account) shall be paid to him or his Designated Beneficiary(ies), as the case may be, in a single lump-sum distribution immediately after the occurrence of the Trigger Event.

(h) All benefits shall be paid in cash.

XVII. MISCELLANEOUS

(a) The adoption and maintenance of the Plan shall not be deemed to constitute a contract between a Participant and any member of the Affiliated Group. Nothing herein contained shall be deemed to give to any Participant the right to be retained in the employ of any member of the Affiliated Group or to interfere with its right to discharge any Participant at any time.

(b) No Participant shall have any of the rights or privileges of a shareholder of the Corporation with respect to any shares of Common Stock except with respect to shares of such Common Stock actually issued to him under this Plan.

(c) No trust shall be deemed created in favor of any Participant by the establishment of a Unit Account or an Interest Account and the Corporation shall have no obligation whatsoever to fund any of such Accounts. Participants' rights under this Agreement shall be solely those of unsecured contractual creditors.

(d) All questions pertaining to the Plan shall be determined under the laws of the State of New York.

*** B10 ***

EXHIBIT 13

Capital Cities/ABC, Inc.

1993
Annual Report & Form 10-K

*** B11 ***

Decentralization is the cornerstone of our management philosophy. Our goal is to hire the best people we can find and give them the responsibility and authority they need to perform their jobs. Decisions are made at the local level, consistent with the basic responsibilities of corporate management. Budgets, which are set yearly and reviewed quarterly, originate with the operating units that are responsible for them. We expect a great deal from our managers. We expect them to be forever cost-conscious and to recognize and exploit sales potential. But above all, we expect them to manage their operations as good citizens and use their facilities to further the community welfare.

Operating Highlights

	1993	1992
Net revenues	$5,673,653,000	$5,344,127,000
Operating income	$ 862,149,000	$ 721,805,000
Income before extraordinary charge and cumulative effect of accounting changes	$ 467,379,000	$ 389,328,000
Income per share before extraordinary charge and cumulative effect of accounting changes	$28.53	$23.45
Average shares outstanding	16,380,000	16,600,000

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Capital Cities/ABC

A Message From The Chairman

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On February 4, 1994, Dan Burke, our President and Chief Executive Officer, retired after almost 33 years with the Company.

The Company's progress since he joined Capital Cities in 1961 has been remarkable by almost any measure. Its revenues have grown from $10 million annually to $5.7 billion in 1993. Earnings per share have increased from $0.12 in 1961 to $28.53 in 1993 and the Company's stock price, $3 during the month he started, closed at $670 on the day he left.

Dan Burke's leadership and judgment have been integral to these achievements. He combines intelligence and a keen business sense with an unusual ability with people. He is a gifted teacher. He is creative and a man of great personal character and community dedication. He is also unpretentious and irreverent and, he makes everything around him much more fun. All of this has left an indelible mark on the Company.

While Dan was resolute in his wish to retire on his 65th birthday, we are pleased he will continue to serve on our Board of Directors. The report that follows is essentially Dan's, an appraisal of the final year of his three and one-half year tenure as Chief Executive Officer. He leaves the Company in exceptionally strong condition, and we are grateful for his contributions and his continuing involvement.

THOMAS S. MURPHY
Chairman

To Our Shareholders

In 1993, the Company reported record revenues and earnings per share as the economy improved and its businesses rebounded. Earnings per share, on a comparable basis, were $28.53, a 22 percent increase from 1992. During the year, we accelerated our investments in television program production, international media joint ventures, strategic acquisitions and start-up operations. The year was also marked by significant relaxation of government regulations resulting in greater opportunity and flexibility for the Company to own and invest in programming. These investment activities and regulatory developments, in conjunction with our substantial free cash flow and strong balance sheet, position the Company to move forward as the economy improves.

Net revenues increased 6 percent over 1992. In 1993, our managers continued to limit cost growth as they had during the recent years of soft advertising demand. Operating expenses grew 4 percent, despite significantly higher development costs and severance expense. Operating income rose 19 percent to approximately $862,000,000. Of the $330,000,000 sales gain in 1993, $140,000,000, or 42 percent, was converted to operating income.

A summary of the Company's results for 1993 compared with 1992 follows:

(Dollars in millions)	1993	1992	Percent change
Net Revenues	$5,673.7	$5,344.1	6%
Operating costs	4,655.2	4,464.6	4%
Depreciation	95.0	95.7	--
Amortization	61.3	62.0	--
Total Costs	4,811.5	4,622.3	4%
Operating income	862.2	721.8	19%
Interest/other, net	(33.8)	(35.9)	(6)%
Income before taxes	828.4	685.9	21%
Income taxes	(361.0)	(296.6)	22%
Net Income*	$ 467.4	$ 389.3	20%
Income per share*	$ 28.53	$ 23.45	22%
Average shares (000)	16,380	16,600	(1)%

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*Before 1993 extraordinary charge and 1992 cumulative effect of accounting changes.

Several factors which affected the 1993 to 1992 comparison are worth noting:

- On December 1, 1993, the Company completed a Dutch Auction tender offer for 1,100,000 common shares at $630 per share for a total cash outlay of approximately $700,000,000. Earnings per share in 1993 benefited slightly from the reduction in shares outstanding from 16,444,000 to 15,383,000; the full year benefit would have been approximately $1.00 per share. Berkshire Hathaway, our largest shareholder, tendered 1,000,000 shares and now owns 2,000,000 shares, or 13 percent of the Company.

- The Company's earnings per share were adversely affected by the increase in corporate income tax rates required by the Omnibus Budget Reconciliation Act of 1993. Without this tax rate increase, earnings per share would have been $0.73 higher in 1993, or $29.26 per share.

. Net interest expense declined by approximately $29,000,000, primarily because the Company redeemed an additional $500,000,000 of debt in early 1993. The Company recorded an after-tax, extraordinary charge of $12,122,000, or $0.74 per share, as a result of the prepayment. Outstanding debt is now $622,000,000, or 14 percent of total capital, down from $2,100,000,000, or 51 percent, at the time of the acquisition of ABC in 1986.

. The Company's earnings for 1992 included a significant net gain ($0.68 per share) on the sale of its interest in a German television network. This was partially offset by losses on the disposal of real estate.

. The Company's 1993 operating results included the funding of $80,000,000 of pre-tax losses for domestic start-ups and international media joint ventures, compared with $57,000,000 of such losses in 1992. The after-tax loss from our share of these activities in 1993 and 1992 was approximately $3.00 and $2.00 per share, respectively.

In recognition of the future direction of Capital Cities/ABC, the Company reorganized in 1993 into five operating groups, including two new ones. The Cable and International Broadcast Group, formerly called Video Enterprises, was created to recognize the dramatic growth of our cable programming ventures and the potential of our international broadcasting and production investments. The Multimedia Group was established to exploit opportunities in emerging technologies, particularly those created by the development of digital television and related businesses. These two groups join the existing ABC Television Network Group, Broadcast Group and Publishing Group.

Pursuing new business opportunities is a vital part of the Company's strategy. 1993 through early 1994 was an active period for all operating divisions:

- ESPN2 premiered on October 1, with much assistance from the Company's television stations. The Cable Television Consumer Protection and Competition Act of 1992 ("Cable Act") offered television stations the opportunity to negotiate compensation from cable system operators in exchange for permitting them to carry their signals. As an alternative to cash payments, and in return for guaranteed station channel position, the Company's television stations offered to accept cable carriage of ESPN2 in exchange for the carriage rights. Commitments were received from 19 of the top 20 cable system owners for an accelerated rollout of ESPN2 over the next six years. By the end of 1993, ESPN2 was carried in 13,000,000 homes. This represents one of the most successful launches ever for a new cable network.

- Early in 1994, the ABC Television Network entered into an agreement in principle with Brillstein-Grey Entertainment for a joint venture that would develop programming for network television, as well as videocassettes, radio, pay-per-view and interactive television.

- The network's ABC Productions unit doubled its prime-time programming development during the year, producing 89 hours, primarily for the ABC Television Network.

- Under the FCC's recently revised rules relaxing radio station ownership, the Company purchased a second FM station in Atlanta, signed a purchase agreement for a second FM station in Minneapolis and reached an agreement in principle for another AM station in Los Angeles.

- The Cable and International Broadcast Group acquired a 20 percent interest in a new German television network, RTL 2, which debuted in March 1993. Also, in early 1993, the group merged its sports programming service, The European Sports Network, into Eurosport, its primary competitor. It now owns 33 percent of Eurosport. The combined sports network reaches almost 50,000,000 households throughout Europe.

- During late 1993 and early 1994, the Company purchased a 24 percent interest in Scandinavian Broadcasting System SA, a well-positioned broadcaster with television networks in Norway, Sweden and Denmark.

- The Publishing Group acquired Grupo Editorial Expansion, S.A., Mexico's leading business publisher, whose operations include magazines, newsletters and regulatory bulletins.

There were several favorable regulatory developments in 1993. During the year,

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the FCC relaxed the financial interest and syndication rules that had been in place since 1970. Also, a U.S. District Court lifted certain of the consent decree restrictions which paralleled these rules. Both developments afford the Company greater flexibility in developing, owning and investing in entertainment programming. That opportunity was identified years ago as a top priority. These changes were long overdue, and now that they are in place the Company plans to take full advantage of them.

ABC Television Network earnings rose dramatically in 1993 due in part to a steady improvement in advertiser demand during the year. Reports that industry revenue grew in 1993 by only 1 percent, in fact, understated the improvement. Excluding more than $800,000,000 in 1992 Winter and Summer Olympic advertising on other networks, the television network marketplace grew by 8 percent in 1993.

ABC's competitive ratings throughout the broadcast day are as strong as they have been for several seasons, and this performance has allowed the network to capitalize on the improved advertising marketplace. In prime time, ABC finished the 1992-93 season as the most popular network among adults 18-49. In the fourth quarter of 1993, ABC won 7 of 14 weeks in household ratings and ranked first among the 18-34, 18-49 and 25-54 adult demographic groups, the network's best competitive performance since the 1979-80 season. ABC consistently won four nights of the week and placed six programs among the ten most popular adult 18-49 programs.

Most other dayparts were as competitive and added to the improved near-term sales outlook. Good Morning America was the top-rated early morning program for the fourth consecutive year. ABC Daytime, rated first among women 18-49 and 25-54, had three of its serial dramas ranked among the top four shows in the daypart for those demographic groups. ABC Sports' NFL Monday Night Football was the eighth most popular prime-time program in the fall, and first among men 18-49. College football was also among the most highly rated programming for young male viewers. ABC Sports operated at a profit in 1993 for the first time in several years.

ABC News had another outstanding year in 1993. During the average week, ABC News programming reaches 68 percent of all U.S. television households, or approximately 115,000,000 people, more than any other news source. World News Tonight with Peter Jennings was the number one-rated evening news broadcast for the fifth consecutive year. PrimeTime Live and 20/20 achieved higher ratings and consistently won their respective time periods. Nightline distinguished itself in the intensely competitive late night time period, finishing first in household ratings 11:30 pm to midnight on an annual basis for the first time since its March 1978 premier. Early in 1994, ABC News will add a fourth news magazine program, Turning Point, to prime time.

The Broadcast Group had a good year in 1993 with revenue and profit gains better than anticipated. The owned television stations generally maintained their excellent ratings position, especially in early and late evening news. The stronger than expected revenue growth was especially gratifying because 1992 results included significant political advertising from national and local elections. Radio industry revenue growth rebounded after a weak 1992, and both the radio stations and radio networks benefited. The ABC Radio Networks achieved record profits in 1993, and the stations achieved significantly higher profits.

The Cable and International Broadcast Group is one of the Company's fastest growing operations, and all elements performed well in 1993, especially the basic cable networks. ESPN had an exceptional 1993, with significant earnings growth, even after a sizable loss in the last year of a four-year Major League Baseball contract and substantial start-up losses for ESPN2. ESPN also continued to grow internationally during the year, expanding its coverage in Asia, Latin America, and in early 1994, the Middle East and Africa. ESPN is now seen in approximately 90 countries, making it the most widely distributed program service in the world. Arts & Entertainment Network (A&E) and Lifetime reported record revenues and profits. A&E is scheduled to launch the History Channel in the fall of 1994. The group's international joint ventures performed better in 1993 and are positioned for further growth as the European economy improves.

The newly established Multimedia Group is currently evaluating opportunities in the emerging technologies. The group has entered into a number of joint ventures designed to evaluate consumer demand for certain interactive services and other video-on-demand programming. It expects to expand those activities and has begun to explore opportunities emerging in disc, on-line, cartridge and out-of-the-home markets, as well.

For the Publishing Group, business conditions showed modest improvement in 1993. Newspaper and shopping guide operations posted their seventh consecutive year of increased profits on a small revenue increase. Although improved results were achieved by the majority of its publications, weak business conditions in the fashion and medical publications resulted in an overall Specialized Publications Group profit decline. Developmental expenses increased significantly, largely because of the launch of a yellow pages directory in Wichita, the start-up of Selling magazine and a conversion to CD-ROM technology for Chilton's professional automobile books.

The Company continued its long-standing commitment to both Project Learning U.S. (PLUS) and the Partnership For a Drug Free America. PLUS's campaign, Never Stop Learning, has strong national awareness and drew attention this past year to innovative learning and educational techniques under the theme, Common Miracles. The Partnership For a Drug Free America is responding to an alarming resurgence of drug use among children and young adults for the first time in a decade by strengthening its prevention message. Capital Cities/ABC is the Partnership's strongest corporate supporter, contributing over $30,000,000 of media time and space in 1993 and $225,000,000 over the last seven years.

There were several important senior management changes in 1993. Robert A. Iger, President, ABC Television Network Group, was promoted to Executive Vice President of Capital Cities/ABC, Inc. Herbert A. Granath was promoted to President, Cable and International Broadcast Group and to Senior Vice President of the Corporation. Stephen A. Weiswasser was promoted to President, Multimedia Group and reassumed General Counsel responsibilities. David Westin was promoted to President of Production, ABC Television Network Group.

We are pleased to report that Nicholas F. Brady, former Secretary of the United States Department of the Treasury, was elected to our Board of Directors in 1993.

Capital Cities/ABC's near-term strategy will vary little. A talented group of managers is in place and will provide the Company's next generation of leadership. Our stable free cash flow and strong balance sheet give us confidence that the Company is stronger and healthier than it has ever been. The core broadcasting, cable and publishing businesses, combined with the initiatives outlined above, have us well-positioned for future growth. We are confident that the Company has the resources and determination to compete profitably in a changing media industry.

We would like to thank our directors and employees, as well as our shareholders, for their contributions and support during the years. We look forward to the opportunities the future will bring.

THOMAS S. MURPHY
Chairman of the Board and
Chief Executive Officer

DANIEL B. BURKE
Retired President and
Chief Executive Officer

Capital Cities/ABC

Broadcasting

The Company's broadcasting operations, which consist of the ABC Television Network Group, the Broadcast Group, the Cable and International Broadcast Group and the Multimedia Group, had 1993 net revenues of $4,663,200,000, an increase of 9 percent, or $397,600,000 from 1992. Operating earnings of $778,100,000 in 1993 increased $158,800,000, or 26 percent, from the prior year. Broadcasting's 1993 and 1992 results are summarized as follows:

(Dollars in millions)	1993	1992
Net revenues	$4,663.2	$4,265.6
Operating costs	3,763.0	3,523.2
Depreciation	75.4	76.4
Amortization	46.7	46.7
Total costs	3,885.1	3,646.3
Operating income	$ 778.1	$ 619.3

ABC Television Network Group

In virtually all phases of its operation, the television network experienced a strong year in 1993. Its sharp rise in revenues and profits was due to an improvement in national advertising, competitive ratings strength across all program dayparts and effective cost control. Revenues increased approximately 9 percent to $2,730,000,000, and operating income doubled to over $180,000,000.

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Network television industry revenue growth of 1 percent in 1993 was better than anticipated because 1992 revenues included over $800,000,000 in Olympic advertising, and post-Olympic years have historically resulted in a revenue decline for the industry. The ABC Television Network's 1993 business outlook had anticipated another year of soft national advertising as well. As the year progressed, however, the economy stabilized and scatter pricing strengthened. In the second half of 1993, ABC Television Network revenues rose in excess of 10 percent, which is better growth than has been experienced in over three years.

ABC was able to profit from this cyclical improvement on every level. Audience gains in prime time, combined with consistently top-rated audience delivery throughout most of the remaining broadcast day, attracted an increased share of network television advertising expenditures. Over 180,000,000 people watched ABC on a regular weekly basis during 1993, more than any other network. Even more important to national advertisers, the ABC Television Network was rated first among adults 18-49 in virtually every daypart.

Profits would not have grown in 1993 without management focus on cost control. The network avoided overpaying for expensive

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sports rights, carefully monitored program inventory, and in the process streamlined its operations. While operating costs increased 5 percent in 1993, they were largely the result of a higher level of internally-produced programming which should yield important revenue benefits in the future, and increased provisions for reductions in staffing.

The ABC Television Network believes that ownership and control of software is critical to its future success, and in 1993, steps were taken to increase the amount of ABC-owned product in all dayparts. Here are some examples of this effort:

. The network produced or shared a financial interest in 194 hours of prime-time entertainment programming in 1993, up from 154 hours in 1992. ABC Productions produced approximately half of those hours in both years.

. ABC News added a third weekly magazine program, Day One, to the prime-time schedule in 1993, and a fourth, Turning Point, will be added early in 1994. During 1993, the News division provided 142 hours of news magazine programming as well as 30 hours of special broadcasts and expanded its international newsgathering capabilities.

. ABC Daytime, which owns its four serial dramas, produced several videocassettes of highlights from past productions. More than 400,000 copies were distributed through Capital Cities/ABC Video Publishing, a new unit of the Company.

. The network entered into an agreement in principle with Brillstein-Grey Entertainment early in 1994 for a joint venture to develop programming for network television and other distribution outlets.

. ABC Entertainment's first series co-production with Matt Williams, creator of Roseanne and Home Improvement, is scheduled for broadcast in the first quarter of 1994.

ABC was the only network to improve its prime-time ratings during the 1992-93 season, and it made further gains in the fourth quarter of 1993. During both periods, ABC was the most popular network among adults 18-34, 18-49 and 25-54.

ABC's NFL Monday Night Football was the leading program for male viewers 18-49 in the fourth quarter, averaging a 14.5 rating and 38 share for that group. Appearing on Tuesday, Roseanne and Coach are the second and fifth ranked programs in prime-time household delivery. NYPD Blue, the season's highest-rated new drama, premiered on Tuesday night in the fall and contributed to the network's first-place finish for the night. ABC consistently won Wednesday night as well, primarily because of Home Improvement, the season's number one-rated show, and Grace Under Fire, the highest-rated new situation comedy of the season, which ranked sixth in household ratings. ABC's Thursday night ratings improved 9 percent over last season. That growth was led by PrimeTime Live, which ranked 14th among all prime-time programs, with ratings up 9 percent over last season. Friday has been ABC's most successful night for several seasons, and the network continued to win every half hour in households and adults 18-49 ratings. The 8-10 pm comedy block improved its household ratings by 12 percent. Saturday continued to be difficult for ABC to schedule between 8:00 pm and 10:00 pm, although The Commish delivered 4 percent more adults 18-49 in the 10-11 pm period than it did last season.

ABC Daytime maintained its leadership in the key demographic categories of women 18-49 and 25-54, viewers with strong advertiser appeal. During 1993, ABC Daytime posted a 14 percent gain in its delivery of households. Its delivery of women 18-49 increased 11 percent; delivery of women 25-54 was up 13 percent. ABC also had three of the four top-rated programs among women 18-49. All My Children ranked number one, General Hospital number three and One Life To Live

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number four. Good Morning

America won the early morning time period for the fourth consecutive year. The show's lively, well-paced news and information features were top-rated among women 18-49 and 25-54.

ABC News contributed substantially to the network's improved results in 1993 and is an important part of future growth. World News Tonight with Peter Jennings was the nation's most-watched evening news program for the fifth consecutive year. Nightline, hosted by Ted Koppel, had its best household ratings since 1988, finishing first in household ratings on an annual basis. The importance of these two news broadcasts to the network cannot be overestimated, especially during late-breaking domestic and international news stories, because more Americans turn to ABC than to any other network during these times. PrimeTime Live and 20/20 are the two highest-rated hour-length programs on ABC's prime-time schedule. Day One's ratings improved slightly as the 1993-94 season progressed. The Barbara Walters Specials and This Week with David Brinkley also contributed to ABC News' comprehensive, award-winning coverage of the major events, issues and personalities of 1993. Through the division's ownership of Worldwide Television News and its recent arrangement with the BBC, ABC News' international newsgathering potential has grown dramatically.

ABC Sports' future is brighter now than it has been for some time. The division was profitable in 1993 for the first time since 1987, as sports advertising improved steadily during the year, especially in the fourth quarter. Professional and college football coverage and the U.S. Open and British Open golf tournaments highlighted ABC's year. In 1994, ABC Sports will broadcast Major League Baseball, including the World Series. The division's revenue sharing agreement with Major League Baseball avoids upfront rights fees and is, we believe, an innovative and prudent approach to acquiring sports rights for network television. ABC will also broadcast World Cup Soccer, held in America for the first time, in the summer of 1994.

The ABC Television Network's 1993 operating performance was gratifying. To sustain this growth, the network plans to continue to keep its programming popular and relevant to audiences and advertisers and to ensure that costs do not rise as rapidly as revenues in a healthier advertising marketplace. It also plans to channel every available resource to program ownership and other new business opportunities.

Two executive changes were announced at the network in 1993. Patricia K. Fili-Krushel was named President of Daytime Entertainment, responsible for all Monday to Friday daytime product, including our very successful daytime serials. Jeanette B. Trias was promoted to President of Children's Programming, and will supervise the Saturday morning schedule, as well as the ABC Afterschool Specials.

In 1993, the network received over 150 awards, including 31 Emmys. 20/20 won an Alfred I. duPont-Columbia University Journalism Award for The Gift of Life, a profile of a Vietnam veteran and the doctor who saved his life during the war, and PrimeTime Live won the George Polk Award for its investigative report on the rise of neo-Nazism in Germany. Roseanne won the George Foster Peabody Award for significant and meritorious achievement in television programming.

Broadcast Group

The newly reorganized Broadcast Group, which previously included the Company's cable and international broadcast activities, continues as Capital Cities/ABC's major profit center. Now consisting of television station, radio station and radio network operations, the group generated revenues of $1,170,000,000, exceeding 1992's performance by approximately 6 percent and slightly outperforming the record level reached by these businesses in 1990.

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At the same time, the group's profits grew in 1993 by approximately 12 percent after two

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consecutive down years. While still falling short of 1990's record performance, these results were the best recorded in three years and the first double-digit profit increase since 1988. The rebound in profits also saw profit margins expand by two percentage points.

The year's foremost challenge came from the federal government's legislative effort to re-regulate the cable industry and ensure the economic viability of free local television broadcasting. Ratified in the closing days of 1992, the Cable Television Consumer Protection and Competition Act of 1992 ("Cable Act") afforded broadcasters the ability either to guarantee cable carriage for themselves or to develop a secondary revenue source.

The pre-eminent market positions of our television stations and our ownership of ESPN, the cable industry's foremost sports network, enabled us to obtain cable carriage for ESPN2 in exchange for giving cable system operators the right to carry our stations' signals. Cable companies found this alternative an acceptable way to provide value for carriage rights. The Company was thus able to receive significant economic value for its stations' signals and avoided the kind of confrontation with cable operations that others encountered when they sought only cash for carriage. The successful conclusion of this process in part validated the Company's diversification into cable programming.

Television Stations

Although 1993 will be remembered by television station operators because of the challenge and distractions of a new regulatory relationship with their cable counterparts, it was also a year that saw most broadcasters emerge from the effects of a recessionary economy. Revenues at our eight television stations increased approximately 5 percent, slightly exceeding the previous record high of 1990, and station profits rebounded nicely.

A benefit which materialized in the last quarter of the year also contributed to the profit increase. It involved the resolution of the long-standing dispute between ASCAP, the music performance rights society, and the All-Industry Committee, which represented the interests of our stations as well as most of the industry. A Federal District Court established an alternate and more flexible fee structure that will now put the licensing of music performance rights for television stations on a more equitable basis. In addition, the court fixed the liability for past years' claims at levels lower than had been previously anticipated. While there is no guarantee that this 12-year industry-wide effort will lead to the resolution of a similar dispute with BMI, the other major music licensing organization, the potential for a comparable settlement does exist and could produce a similar future benefit.

Another event had long-term implications about service quality and price integrity for the industry. The Arbitron Company announced its intention to abandon its local television market rating service and leave the field to a sole service provider, Nielsen Media Research. The immediate consequence of Arbitron's decision will be a reduction of research expenses; however, the absence of competition in an area vital to the television industry raises questions for the future. Moreover, two of our stations that previously employed Arbitron as their primary audience measurement and selling tool may well sustain revenue losses in excess of any cost benefits.

The Company's television stations continue as the nation's most profitable station group and maintain their pre-eminent audience ratings in most of their markets. The average sign-on to sign-off ratings achieved during the four 1993 Nielsen sweep surveys show six of our stations maintaining their number one positions. The other two share the top spot with competitors. KTRK-TV, a long-time ratings powerhouse and perennial number one in Houston, has recently lost ground in the ratings and faces a real struggle to regain its leadership position. At the station group, all dayparts, including those committed to

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carrying network programs, are vigorously contested, so we take nothing for granted. The challenges that face us are real and the competition intense.

As noted above, the inherent market strength of our television stations permitted us to utilize the retransmission consent provisions of the new Cable Act to create significant penetration for ESPN2. That penetration went well beyond the service areas of our owned stations. While the results of the negotiation primarily benefited ESPN2, other significant objectives were achieved in the negotiation process. Six-year agreements were entered into with cable operators that ensured the carriage of virtually all our station signals on our designated over-the-air channel positions-thereby ensuring uniform promotability in the preferred VHF band. In addition, we gained some preferential opportunities for additional channel space to accommodate the eventual broadcast of high definition television. All in all, we generated value for our signals by the creation of a new basic cable service with significant market penetration, and we assured cable carriage in 99.4 percent of the homes attributed to our markets.

Radio

1993 was a record year for the Radio Division, with both revenues and profits reaching new highs. Our radio stations improved considerably on several fronts and appear to be well-positioned for the future. Underperforming facilities in New York and Chicago made real turnarounds, and the benefits of a reshaped and more focused portfolio of stations became more evident. Combined with an improving economy, the effect was significant: revenue increased by approximately 9 percent, and operating profits increased dramatically.

At year-end, the group consisted of 18 stations, three less than the 21 stations operated by the Company at the end of 1992. In keeping with a strategy designed to take advantage of liberalized radio ownership rules and to focus our efforts on acquiring additional properties in the larger markets where we already own stations, the group divested its AM/FM station combinations in Denver and Providence and acquired a third station in Atlanta. The Company's current 18 station portfolio (nine AM and nine FM) reaches 24.1 percent of the United States as indicated in the following chart:

Station and Market	Market rank	#of stations in market	% of U.S.
WABC-AM/WPLJ-FM (New York)	1	48	6.6%
KABC-AM/KLOS-FM (Los Angeles)	2	48	4.6%
WLS-AM/FM (Chicago)	3	37	3.2%
KGO-AM (San Francisco)	4	48	2.5%
WJR-AM/WHYT-FM (Detroit)	6	30	1.7%
WMAL-AM/WRQX-FM (Washington, DC)	7	30	1.6%
WBAP-AM/KSCS-FM	8	32	1.6%

(Fort Worth-Dallas)			
WKHX-AM/FM WYAY-FM (Atlanta)	12	19	1.3%
KQRS-AM/FM (Minneapolis-St. Paul)	17	20	1.0%

Total			24.1%

Source: Arbitron, Fall 1993 Radio Market Survey
Schedule & Population Rankings
Metro persons 12+

The acquisition of WYAY-FM represents our first experience with a duopoly operation, a circumstance which offers radio operators the opportunity to consolidate costs and enhance sales. While it is too early to be certain that this plan will succeed in Atlanta, the combined operations of WKHX-AM/FM and WYAY-FM have exceeded our expectations and seem to offer real promise. Clearly, the right combination of variables is a prerequisite for duopoly operations to work, and acquisition cost is key. Based upon what we have seen so far, and under the right circumstances, we will pursue duopolies as a strategy for growth in our larger markets. In

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this connection, we have recently signed an agreement to purchase KRXX-FM, Minneapolis and have reached an agreement in principle to acquire KMPC-AM in Los Angeles. We hope to conclude these acquisitions during 1994.

Duopoly combinations also offer a number of strategic programming benefits; for example, the ability to protect successful formats by programming to a compatible audience in the same genre. What can work for us, however, can also work for our competition, so it is more important than ever that we protect successful franchises and use our current facilities to their best advantage. It is gratifying to see our efforts begin to succeed at WABC-AM and WPLJ-FM in New York and WLS-AM/FM in Chicago, where patience and commitment to a format and to talented people have contributed to the reversal of fortunes. Equally noteworthy, WMAL-AM in Washington, DC weaned itself away from a long-standing relationship with a major sports franchise, the Washington Redskins. It repositioned itself competitively, saw its audience expand and enjoyed an outstanding year.

The ABC Radio Networks had an exceptional year in 1993. Profits rebounded from a down year and increased significantly to reach a new high. Revenues increased by approximately 6 percent, as a number of traditional advertisers returned to network radio, and the networks maintained their share of the market. Effective cost management also contributed significantly to the year's results, with operating expenses declining for the third consecutive year as the network relocated and consolidated more of its operations in Dallas, Texas.

The ABC Radio Networks remain the country's largest radio network operation and serve approximately 3,400 affiliates nationwide. Providing stations and listeners with a wide range of programming and featuring the services of ABC News, the networks reach almost 100,000,000 listeners each week. They broadcast 17 of the top 20 and 42 of the top 50 programs in network radio. Moreover, Paul Harvey, America's most prominent and popular commentator and ABC Radio's foremost personality, continues his hold on the radio audience. His daily program reaches 24,000,000 people each week, and his programs consistently rank at the top of news personality surveys.

The radio networks recently signed Tom Joyner, a popular Chicago radio personality, to produce a morning and weekend "countdown" show aimed at African-American music listeners. The networks also launched into syndication "Moby in the Morning," a feature of our owned station in Atlanta, WKHX-FM, where Moby is the number one country music host.

The ABC Radio Networks also expanded their horizons internationally. They acquired a minority interest in Satellite Media Services, Ltd., a U.K. company, to develop radio formats for distribution in Europe, and established a Hong Kong-based partnership, called ABC Radio Partners. This Hong Kong venture will launch a Chinese radio network to serve that huge and increasingly dynamic market.

Cable and International Broadcast Group

As a result of the growing importance of the Company's involvement in cable programming, international broadcasting and cable services, and program distribution, the Cable and International Broadcast Group was established in 1993. The group is more readily identified with its successful domestic cable activities--80%-owned ESPN, 37 1/2%-owned Arts & Entertainment (A&E) and 33 1/3%-owned Lifetime. It is also involved in program distribution through its ABC Distribution operation, and has an increasing presence in the international marketplace. In 1993, operating income increased significantly on a 15 percent increase in revenues.

Capital Cities/ABC

ESPN, the premier cable sports network in the country, represents the group's most significant business activity. It ended the year as America's largest cable network and is currently available in 62,700,000 homes which represent 67 percent of U.S. television households. ESPN International broadened its programming distribution to 90 countries broadcast in 11 languages with 24-hour customized satellite networks for Asia, Latin America, and in early 1994, the Middle East and Africa.

Once again, ESPN achieved record revenues and earnings in 1993, despite a significant loss in the last year of its initial contract with Major League Baseball. Major League Baseball coverage was renewed for six more years at substantially lower rights fees and a reduction in coverage from six to three games per week. ESPN also renewed its Sunday night NFL contract for four more years at slightly higher rights fees.

ESPN launched ESPN2 in October with coverage by year-end reaching 13,000,000 cable homes. By the end of 1996, ESPN2 expects to be in 30,000,000 homes. Programming will focus on the entertainment appeal of sports and will be targeted to men and women 18-34. ESPN also acquired Ohlmeyer Communications Corporation, a sports programming and production company.

The group's interests in A&E and Lifetime cable networks continue as very successful investments. Both A&E and Lifetime, which reach 56 percent and 62 percent of U.S. television homes, respectively, again had excellent years and continue to show growth in revenue, earnings and subscribers.

The group also acquired assets of DIC Animation City, Inc., a successful producer and distributor of animated and live action children's programming. Currently, DIC produces series for the ABC Television Network, CBS, Fox, various cable channels and syndication.

ABC Distribution sells the ABC Television Network's owned programming internationally and, because of changes in the financial interest rules, domestically to all purchasers except television stations. It had a particularly good year in 1993 syndicating ABC News product in Europe.

The Company continued to invest in international broadcasting joint ventures in 1993, acquiring equity interests in several new ventures:

- RTL 2 - a new German television general entertainment network. The Company directly, and through its German joint venture, Tele-Munchen, owns 20 percent of RTL 2, which has now achieved over 50 percent penetration of its market in its first year of operation.

- Scandinavian Broadcasting System SA - a broadcasting company with television networks in Norway, Sweden and Denmark. Capital Cities/ABC now owns approximately 24 percent.

- Eurosport - the pan-European sports network. In 1993, The European Sports Network, which had been 50 percent-owned by ESPN, was merged with its competitor, Eurosport. ESPN owns 33 percent of the combined service, which reaches almost 50,000,000 households.

The group's other international interests performed better on an aggregate basis in 1993, narrowing their operating losses. The near-term operating outlook for all of our joint ventures should benefit from further privatization of the broadcasting industry throughout Europe, improvement in cable and satellite distribution, and a healthier business climate.

Results for ESPN, DIC and ABC Distribution are consolidated in the broadcasting business segment. Results of A&E, Lifetime and the group's international joint

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ventures are accounted for on the equity

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basis (the proportionate share of income or loss is recorded as other income or expense). As a consequence, the results of these activities are not reflected in the operating results of the broadcasting segment.

Multimedia Group

The Multimedia Group was established in 1993 with the broad mandate of properly positioning the Company with respect to emerging new media and technologies. The group's financial results for 1993 -- and perhaps for the next few years-- reflect the uncertain and emergent nature of the various markets in which it will operate. With the exception of Capital Cities/ABC Video Publishing's home video activities, the group's businesses may not be profitable in the near future.

In the longer term, the group's primary mission is to ensure that the core businesses of the ABC Television Network and the Company's television stations are protected in the new environment that may be created by the development of mega-channel cable systems and video-on-demand fiber optic services offered by both cable and telephone companies. The Company believes that, in many respects, the near-term potential of compressed digital television (which is the basis among other things for national video-on-demand information and entertainment "superhighways") may prove to be overstated. Changes in the television system in the United States are likely to be evolutionary, not revolutionary, and will reflect the tastes and needs of the audience rather than the hopes of regulators or the investments of service providers.

Nonetheless, the emerging video-by-wire services and other technologies can be expected significantly to increase viewing choices and are thus both a threat to and an opportunity for the Company's core businesses. In the shorter term, therefore, the Company believes that it can both protect itself and create new, significant business opportunities by playing a meaningful role as a content provider for the full range of developing technologies. To that end, the Company expects to utilize its archives, libraries, production expertise and knowledge of the video marketplace to create new video and data-based products.

Of the distribution possibilities available, the market which is most fully developed is home video. Since its inception in early 1993, Capital Cities/ABC Video Publishing has distributed through retail or special markets approximately 850,000 units, including titles that were based on successful ABC Television Network programs (such as Daytime's Greatest Weddings series) and titles that were acquired or originally produced which did not grow out of ABC resources. 1994 should see a significant increase in the number of units distributed. Titles will include several direct-to-video motion pictures, exercise and special interest cassettes (such as Bad Golf Made Easier, an original title starring actor Leslie Nielsen that was released at the end of 1993 and has made several best-seller lists). Titles will also be based on the programming of ABC News, ABC Sports, ABC/Kane Productions, ABC Daytime, ABC Productions and ESPN.

The Multimedia Group's other activities will focus on a number of other markets where the Company's strengths in the ownership and production of informational and entertainment products (both print and video) are likely to provide it with significant opportunities. The activities will include:

. Experimentation with on-line, cable and telephone company exhibition of video and text-based materials, including the time-shifting of ABC Television Network programs and the creation of news-on-demand and other interactive products designed for those distribution channels;

. Creation of interactive video entertainment and information for the disc, cartridge and "on-line" computer markets. These markets offer significant prospects for expansion, as technology improves and as equipment and software aimed at broad demographic groups can be developed;

. Exploration of "location-based" entertainment facilities, located in tourist centers, shopping malls and elsewhere, that have many of the qualities of motion picture theaters, themed amusement parks and arcades.

In each of these markets, the Company will seek to participate as a provider of content, and it may well create joint ventures with partners who offer significant expertise and experience in the development of the hardware, software and other technologies that are critical to these businesses.

Publishing

Revenues for the Company's Publishing Group declined 6 percent in 1993 primarily due to the absence of Word, Inc. which was divested late in 1992. Operating income declined 8 percent principally because of a substantial increase in development expenses associated with new product launches. Publishing's 1993 and 1992 results are summarized below:

(Dollars in millions)	1993	1992
Net revenues	$1,010.4	$1,078.6
Operating costs	851.8	908.8
Depreciation	18.4	18.1
Amortization	14.6	15.3
Total costs	884.8	942.2
Operating income	$ 125.6	$ 136.4

On a more comparable basis, excluding the effect of 1992 and 1993 acquisitions, dispositions and development activities, 1993 revenues and expenses increased 3 percent and 4 percent respectively, and operating income was 1 percent lower. The newspaper and shopping guide operations posted their seventh consecutive year of increased profits. Improved results among the majority of the Company's specialized publications were unable to offset weakness in certain other areas, especially in the medical publications which are dependent on declining pharmaceutical advertising. The increase in development expenses was largely

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attributable to the launching of Selling magazine, an accelerated conversion to CD-ROM technology for Chilton's professional automotive books, and the introduction in Wichita, Kansas, of the Company's first yellow pages directory.

Newspapers and Shopping Guides

Newspaper and shopping guide revenues were up 4 percent in 1993, and expenses increased 5 percent, resulting in a small increase in operating income. Excluding the start-up expenses of the yellow pages directory in Wichita, operating income increased 2 percent over 1992 levels. Newsprint prices rose an average of 5 percent for the full year. This was a smaller than anticipated increase and reflected heavy discounting in the second half of 1993. Many of the Company's newspapers are involved in a variety of new initiatives, including audiotext, videotext, alternate delivery, cable guides, real estate publications and total market coverage supplements.

The Kansas City Star posted record revenues and substantial circulation gains in 1993. The Star ranked 11th among major U.S. newspapers in average daily circulation growth for the six months ending September 30, 1993, according to the Audit Bureau of Circulation. Operating income decreased slightly from record levels in 1992.

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The Star launched community newspapers in two suburban areas. The news and advertising content of both newspapers, which are home-delivered with The Star, is completely community-based. Largely as a result of the intense local focus, The Star enjoyed substantial circulation increases in both areas and attracted a wide range of new advertisers.

The newspaper initiated a data base marketing program targeting advertisers who utilize direct mail. The program offers a turn-key direct marketing service to advertisers that coordinates newspaper and direct mail advertising. Revenues from the program, which has generated additional run of press and insert business for the newspaper, covered development costs.

The Star's interactive telephone information system, Startouch, experienced explosive growth in 1993, receiving approximately 15,000 calls a day. Call count for the year increased by approximately 70 percent. The newspaper's alternate delivery program also expanded dramatically and now serves 265,000 households.

Revenues and expenses at the Fort Worth Star-Telegram increased slightly over 1992. Operating income was down slightly because of the cost effect of a second daily edition targeted at northeastern Tarrant County and a reduction in the weekday single copy price from $0.50 to $0.25 in the newspaper's home market for competitive reasons.

The newspaper now publishes three geographic editions daily: one in northeast Tarrant County, one in Arlington and the third covering Fort Worth and the balance of the circulation area. Front page and local news decisions are made by three separate editorial staffs, and the number of pages in the local news sections varies among the editions depending on relative demand for zoned local advertising. Over 100 additional employees are required to execute this massive targeting effort. Reaction from readers and advertisers has been very positive.

Once again the Star-Telegram was honored with awards for excellence. The newspaper won nine first-place awards in the prestigious Dallas Press Club statewide competition.

The Michigan publishing group, centered around the daily Oakland Press, had record revenues and operating profit in 1993. Operating income was slightly affected by the start up of an audiotext system and a substantially expanded alternate delivery system at the daily. The semi-weekly Lapeer County Press was named "Michigan's Best" newspaper in its circulation group by judges of the Michigan Press Association.

Revenues and operating income at the Belleville News-Democrat Group were at record levels in 1993. The daily newspaper, which achieved record results in 1993, was also recognized widely for continuing journalistic excellence. The weekly group, which had a satisfactory year, was augmented by the purchase of the Waterloo, Illinois, Republic-Times. Legal Communications Corporation, publishers of legal newspapers in St. Louis and its environs, experienced a downturn in legal advertising.

In Wilkes-Barre, the last city in Pennsylvania with separately-owned competing daily newspapers, operating income grew 35 percent at The Times Leader on a revenue gain of 16 percent. In the second half of 1993, the newspaper ran 62 percent of all in-paper advertising in the market and 90 percent of all pre-printed advertising inserts. Circulation of the Sunday edition grew 27 percent to 79,000 copies after the closure in May of a competing Sunday newspaper. Substantial additions to staff and capital equipment during 1993 have positioned the newspaper for continued profit growth in 1994 and beyond.

The New England Newspaper Group, which distributes almost 700,000 copies weekly

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in Connecticut, Massachusetts and Rhode Island, had essentially flat results with the previous year. Savings from several title closures and expense reductions were

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partially offset by increases in the number of advertising sales personnel.

A slight profit decline at the Oregon newspapers was more than offset by another record year for the Nickel Publications. These advertising-only tabloids posted an overall increase in 1993 operating income of 12 percent, following a 22 percent increase in 1992. Over 650,000 "Nickels" are distributed weekly through racks in supermarkets, convenience stores and other locations in Seattle-Tacoma, Spokane, Portland and Las Vegas. Glenn Cushman, who headed the Company's Northwest Publishing operations since the 1980 purchase of the Oregon Newspaper Group, retired in March. He was succeeded by Richard Anderson, formerly the group's General Manager.

The PennySavers, headquartered in Vista, California, had record operating income and profit margin in 1993. The soft California economy kept advertising revenues basically flat. However, sales increases in northern California, combined with production efficiencies in southern California resulting from the first full year in a new 90,000 square foot facility, helped generate the record earnings. The PennySavers distributes 2,000,000 copies of its publications in California each week.

Profits improved for the second consecutive year at Pennypower, which distributes 280,000 shoppers weekly in Wichita, Kansas, and Springfield, Missouri. A new yellow pages telephone directory was launched in Wichita and distributed in October to over 220,000 households.

Specialized Publications

The Company's specialized publishing operations consist of three units: the Diversified Publishing Group, Fairchild Publications and the Financial Services and Medical Group. Despite favorable results at many publications and excluding increased development expenses and dispositions, operating income declined 6 percent.

The Diversified Publishing Group reported increased revenues and operating income for 1993. The group essentially completed a repositioning and marked the year with the strategic acquisition of Grupo Editorial Expansion, S.A., the leading business publisher in Mexico.

Chilton Publications reorganized its magazines into five publishing groups to better serve its readers and advertisers. The new groups are Communications, Materials, Manufacturing, Retail, and Automotive/Transport. Four of the five groups reported increased revenues and operating income.

Expansion, acquired in 1993, publishes the biweekly business magazine Expansion, a monthly construction magazine and various bulletins and newsletters dealing with Mexican business and legal issues. This acquisition also gives Chilton Publications a platform to expand other publications in Latin America. Product Design and Development Europe, Warehousing and Commperspectives were new ventures begun in 1993, with four new publications planned for 1994.

Chilton Enterprises' research arm reorganized into four industry specialty groups: Healthcare, Consumer Products, Business and Industrial Services, and TEC (Telecommunications/ Entertainment/Computers). The automotive book division is completing the development of a CD-ROM version of its popular Chilton repair manuals and is currently demonstrating a promotional version in the marketplace.

The Agricultural Publishing Group showed increased revenues and operating income in many of its publications as well as in its insurance and farm shows. The year featured a successful launch of the annual outdoor Farmer Stockman show near Lubbock, Texas. An increase in agriculture data base clients and an investment in classified telemarketing also contributed to revenue growth.

Capital Cities/ABC

Despite a continuing soft local economy, Los Angeles magazine moved forward aggressively by introducing a cover-to-cover graphic makeover in September. Enthusiastic response to the new look contributed to a year-to-year increase of 16 percent in national advertising during the fourth quarter. The magazine also launched its first annual Environmental Pride Awards, a charitable event honoring outstanding achievements by local businesses and individuals.

National Insurance Law Service (NILS) surpassed all revenue and operating income expectations and delivered another record year. In 1993, NILS introduced a network version of its popular CD-ROM INSource service and formed a partnership to publish English translations of foreign laws.

Operating income at Fairchild Publications declined in 1993 due to continuing revenue softness in several key markets and expenses associated with the successful conversion of W to a sophisticated tabloid format. In addition to the format change, W reduced its frequency from 26 issues a year to 12. The reaction to the new W has been extremely positive, and newsstand sales have significantly increased. A modification of the new W product will be introduced in Europe this year, supplanting W Fashion Europe, which will result in substantial savings. Salon News, with a controlled circulation of 80,000, is expected to become profitable in its first full year of publication.

Operating income at the Financial Services and Medical Group declined by more than one-third. Significant gains at Institutional Investor, Inc. were more than offset by a substantial decline in operating income at the International Medical News Group.

Institutional Investor magazine received more awards for journalistic excellence than ever before. It launched two newsletters focusing upon defined contribution retirement plans and emerging markets. The Journal of Derivatives was created, and The Journal of Real Estate Finance was acquired. In late 1993, Bankstat, a unit of Bankers Trust Company, was purchased. Bankstat provides credit information on banks to financial institutions worldwide on CD-ROM. The first issue of Selling, a new magazine for professional salespeople, was published in July. Early indications from readers and advertisers have been positive.

As a consequence of the increasing pressure on the pharmaceutical industry to reduce prices to HMOs and other wholesale purchasers, pharmaceutical companies substantially reduced spending on advertising and marketing. While the International Medical News Group publications gained share in a declining market, revenues fell by more than 20 percent.

Capital Cities Capital

Early in 1993, Capital Cities Capital was established, and George M. Cain was named President. This unit, which reports to the President of the Publishing Group, seeks to exchange advertising time and space in any Company media property for equity interests in emerging growth companies. The acquisition of equity interests is made at market rates for the advertising provided. The goals of Capital Cities Capital are to help companies to grow and prosper through the intelligent use of advertising, to cultivate new customers for the Company's media properties and to earn a "venture capital" type of return.

Two transactions have been completed so far involving interests in Yes! Entertainment, a toy company, and Alpha Software, a software company. Several more investments are in the "letter of intent" stage. A number of additional transactions are under review, and the overall market response to the Capital Cities Capital concept has been quite favorable.

Capital Cities/ABC

Financial Overview

Management's Discussion and Analysis of Results of Operations and Financial Condition

Results of Operations-- 1993 Compared to 1992

Consolidated net revenues for 1993 were $5,673,653,000, an increase of 6% from the $5,344,127,000 reported in 1992. Most of the Company's advertiser-supported businesses were positively affected by increased demand and an improvement in the economic environment. Broadcasting net revenues for 1993 were $4,663,215,000, compared with $4,265,561,000 in 1992, a 9% increase. Net revenues for the ABC Television Network increased moderately, principally due to an improved advertising marketplace, the absence of the telecast of the Winter and Summer Olympics on other networks, and higher sales of internally-produced product. ESPN reported significant revenue increases, primarily due to increased growth in both advertising sales and subscription fees, while television station and radio revenues increased moderately. Publishing revenues, excluding the effect of 1992 and 1993 acquisitions, dispositions and start-ups, increased 3% with gains at the newspaper operations and most of the specialized publications.

Total costs and expenses for 1993 were $4,811,504,000, compared with $4,622,322,000 in 1992, a 4% increase. Broadcasting costs in 1993 increased 7% from 1992. Costs and expenses for the ABC Television Network increased moderately in 1993, primarily as a result of increased provisions for reductions in staffing, a higher level of internally-produced programming and higher rights costs. Costs at ESPN increased significantly due to higher programming expenses and the start-up of ESPN2. Increased costs at the Company's television stations for programming and news were partially offset by the reversal of excess provisions for music license fees upon the resolution of a long-standing dispute with ASCAP. Radio expenses were up slightly in 1993. Excluding the effect of 1992 and 1993 acquisitions, dispositions and start-ups, Publishing Group expenses increased 4% from 1992. Higher newsprint and circulation expenses at the newspaper operations, and slight increases at the specialized publications contributed to the increase.

Operating income for 1993 was $862,149,000 compared with $721,805,000 in 1992, a 19% increase. The ABC Television Network reported a significant increase in operating earnings as did the radio operations and ESPN. The television stations reported a moderate increase in earnings. Excluding acquisitions, dispositions and start-ups, publishing operating earnings decreased 1% from the prior year.

Net financial expense (interest expense less interest income) for 1993 decreased $28,929,000 from 1992. Interest expense decreased $44,237,000 primarily as a result of a reduction of outstanding long-term debt. Interest income was $15,308,000 lower in 1993 due primarily to the use of cash for long-term debt redemptions and substantially lower rates of return on invested cash. Interest of $10,283,000 and $12,511,000 was capitalized in 1993 and 1992, respectively. Miscellaneous income decreased $26,822,000

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in 1993, mainly as a result of the absence of the nonrecurring net gain recorded in 1992 on the sale of the Company's interest in a German television network, partially offset by losses provided for or incurred on the disposal of certain nonoperating assets. The Company's effective tax rate was 43.6% in 1993 and 43.2% in 1992. The 1993 results include an increase in the federal tax provision of $12,000,000 ($0.73 per share) to reflect the requirements of the Omnibus Budget Reconciliation Act of 1993 ("Tax Act").

Consolidated net income before an extraordinary charge in 1993 and the cumulative effect of accounting changes in 1992 was $467,379,000 for the full year of 1993, compared with $389,328,000 earned in 1992. Earnings per share before these items were $28.53 in 1993, an increase of 22% from the $23.45 reported in 1992. Excluding the additional tax provision of $0.73 per share, 1993 earnings per share would have been $29.26, an increase of 25% from 1992. Average shares outstanding in 1993 were 16,380,000 compared with 16,600,000 in 1992. The decline reflected repurchases of the Company's common stock during 1992 and 1993.

During 1993, an extraordinary charge (after-tax) of $12,122,000, or $0.74 per share, was recorded relating to early debt redemptions. Results for 1992 included an after-tax noncash charge of $143,235,000, or $8.63 per share, to reflect the adoption of Financial Accounting Standard No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" and Financial Accounting Standard No. 109, "Accounting for Income Taxes."

Results of Operations--
1992 Compared to 1991

Consolidated net revenues for 1992 were $5,344,127,000, down slightly from the $5,381,989,000 reported in 1991. Many of the Company's advertiser-supported businesses continued to be affected adversely by the weak economic environment.

Broadcasting net revenues for 1992 were $4,265,561,000 compared with $4,329,743,000 in 1991, a 1% decrease. Net revenues for the ABC Television Network were down slightly from 1991 principally because of the absence of revenues from the 1991 telecasts of Super Bowl XXV and four NFL postseason playoff games, as well as the continued weak marketplace, particularly in prime time. Television station revenues were up slightly, while those for the radio operations decreased moderately. Video operations reported revenue increases, primarily due to continued growth at ESPN. Publishing Group net revenues increased 3%, from $1,052,246,000 in 1991 to $1,078,566,000 in 1992, primarily because of increases at the newspaper operations.

Total costs and expenses of $4,622,322,000 for 1992 were flat with the $4,620,756,000 reported in 1991. Broadcasting costs in 1992 decreased slightly from 1991. Expenses for the ABC Television Network decreased 4%, primarily as a result of the absence of rights and production costs associated with the 1991 telecasts of the Super Bowl and NFL postseason playoff games. Excluding these items, television network costs were flat with 1991. Costs at ESPN increased modestly as a result of increased programming expenses. Costs for the television stations were also up modestly because of increases for syndicated programming and news coverage. Radio operating costs were down slightly in 1992. Costs and expenses in 1992 for the Company's publishing operations increased 1% from 1991. Continued declines in newsprint pricing and overall cost containment were responsible for the slight increase.

Operating income for 1992 was $721,805,000 compared with $761,233,000 in 1991, a 5% decline. Broadcasting operating income decreased 8% from 1991, with the ABC Television Network reporting a substantial decline in operating earnings. The television station and radio operations also reported small earnings declines in 1992, while ESPN showed a modest increase in

earnings. Publishing earnings increased 11% in 1992 with increases reported at both the newspaper and specialized publishing operations.

Net financial expense (interest expense less interest income) for 1992 decreased $28,512,000 from 1991. Interest expense decreased $75,338,000, primarily because of a net reduction of approximately $735,000,000 of outstanding long-term debt. Interest income was $46,826,000 lower in 1992, due to substantially lower interest rates on invested cash and the use of cash for long-term debt reductions. Interest of $12,511,000 and $13,557,000 was capitalized in 1992 and 1991, respectively. Miscellaneous income increased $34,648,000 in 1992 mainly as a result of a gain on the sale of the Company's interest in a German television network. This gain was partially offset by losses provided for or incurred on the disposal of nonoperating real estate in New York City, together with the write-down of certain other nonoperating assets. The Company's effective tax rate was 43.2% in 1992 and 43.4% in 1991.

Consolidated income before the cumulative effect of accounting changes in 1992 and an extraordinary charge in 1991 was $389,328,000 for 1992, compared with $374,696,000 earned in 1991. Income per share before the cumulative effect of accounting changes and the extraordinary charge was $23.45 in 1992, an increase of 5% from the $22.33 reported in 1991. Average shares outstanding in 1992 were 16,600,000 compared with 16,780,000 in 1991. The decline reflected repurchases of the Company's common stock during 1991 and 1992.

During the fourth quarter and retroactive to January 1, 1992, the Company adopted two statements of Financial Accounting Standards which are required to be implemented by 1993. Financial Accounting Standard No. 106, "Employers' Accounting for Postretirement Benefits Other than Pensions" requires that the Company provide for postretirement benefits, other than pensions, over the service lives of employees rather than on a cash basis as the benefits are paid. The Company recorded an after-tax, noncash charge of $54,817,000, or $3.30 per share, to recognize the accumulated obligation for eligible active and retired employees as of January 1, 1992. The adoption of Financial Accounting Standard No. 109, "Accounting for Income Taxes" which requires a change to the liability method of accounting for deferred income taxes, required the provision of a noncash charge of $88,418,000, or $5.33 per share, to account for its deferred tax liability at January 1, 1992. Except for the cumulative effect of adopting the Standards as of January 1, 1992, these accounting changes did not have a material effect on previously reported quarters of 1992. The fourth quarter of 1991 included an extraordinary charge of $31,203,000 (net of income taxes), or $1.86 per share, relating to the cost of redeeming long-term debt prior to maturity.

Cash and Cash Flows

Net cash provided by operating activities was $641,257,000, an increase of $233,513,000 from the $407,744,000 reported in 1992. The increase was primarily attributable to higher 1993 income before the effect of an extraordinary charge and the cumulative effect of accounting changes and a decrease in net program licenses and rights, partially offset by changes in other working capital accounts.

Net cash provided by investing activities was $145,769,000, an increase of $11,119,000 from the $134,650,000 provided in 1992. The increase in cash provided by investing activities was a result of a substantial decrease in short-term investments in 1993, favorable net changes in noncurrent assets and liabilities, and lower capital spending. This was offset by increased acquisition activity in 1993 as well as the absence of sales of real estate and equity investments in the current year.

Net cash used in financing activities was $1,209,671,000, an increase of $628,160,000 from the $581,511,000 used in 1992. The increase was primarily attributable to greater repurchases of the Company's common stock in 1993.

At December 31, 1993, cash and short-term cash investments were $264,283,000, a decrease of $422,645,000 from the prior year. However, after the inclusion of short-term investments, the balance at December 31, 1993 aggregated $438,106,000, a decrease of $759,667,000 from $1,197,773,000 at December 31, 1992. The Company's policy is very conservative with respect to investment of its cash. At December 31, 1993, all of the Company's cash was invested in highly liquid United States Government instruments with a weighted average life to maturity of 135 days. The Financial Accounting Standards Board requirements arbitrarily define cash equivalents as those investments with maturities at the date of purchase of three months or less. At December 31, 1993, $173,823,000 of the Company's investments did not meet the definition of a cash equivalent and are therefore classified in the consolidated financial statements as short-term investments. The Company believes that this distinction is not meaningful with respect to the statement of its cash and cash equivalents position.

Capital Expenditures and Program Commitments

In 1993, capital expenditures amounted to $97,788,000, down from the $114,736,000 spent in 1992. The largest portion of the 1993 spending was in the Company's broadcasting operations where $78,500,000 was spent. Broadcasting capital expenditures included $13,400,000 for facilities improvements and $65,100,000 for broadcast equipment to support current operations. In 1993, the Publishing Group spent $3,400,000 for facilities improvements and $15,300,000 for equipment for ongoing operations.

The Company anticipates that 1994 capital expenditures will approach $145,000,000, approximately $50,000,000 of which was deferred spending from 1993. Total anticipated capital spending includes $30,000,000 for facilities improvements and $115,000,000 for broadcast and publishing equipment to support ongoing operations.

As the operator of the ABC Television Network, ESPN and eight television stations, the Company expects to continue to enter into programming commitments to purchase the broadcast rights for various feature films, sports and other programming. Total commitments to purchase broadcast programming were approximately $3,702,000,000 at the end of 1993. This amount is substantially payable over the next four years. The Company plans to fund its operations and commitments from internally generated funds and, if needed, from various external sources of funds which are available.

Capital Structure

The Company's capital structure is made up of four components: stockholders' equity, interest-bearing debt, minority interest and deferred income tax liabilities.

Stockholders' equity amounted to $3,572,116,000 at December 31, 1993, a

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decrease of $233,626,000 from the 1992 year-end total of $3,805,742,000. The decrease was attributable to repurchases of $715,010,000 of common stock, partially offset by $455,257,000 of net income and $29,365,000 from common stock issued under employee stock plans.

At December 31, 1993, total interest-bearing debt was $621,960,000, a net decrease of $494,023,000 from 1992. As more fully described in Note 2 to the Consolidated Financial Statements, total interest-bearing debt at December 31, 1993 includes $100,000,000 of commercial paper supported by a $1,000,000,000 bank revolving credit agreement, $500,000,000 of public notes and debentures with an aggregate average maturity of just under 17 years and $21,960,000 of other long-term debt. At December 31, 1993, the weighted average interest rates of the commercial paper and of the other public instruments was 3.4% and 8.8%, respectively. The Company plans to fund the repayment of its debt from internally generated funds and, if needed, from various external sources of funds which are available.

The Company's debt to total capital ratio at the end of each of the last five years was as follows:

(Dollars in millions)	Debt	Total capital	Ratio
1993..................	$ 622.0	$4,531.4	14%
1992..................	1,116.0	5,255.5	21%
1991..................	1,602.3	5,521.2	29%
1990..................	1,947.4	5,542.5	35%
1989..................	1,695.1	5,221.9	32%

The Company's return on average stockholders' equity improved to 12.1% in 1993 from 10.4% in 1992.

Since 1988, the Board of Directors of the Company has authorized the repurchase of up to 3,000,000 shares of the Company's common stock. The repurchases are made from time to time in the open market at prices then prevailing. As of February 28, 1994, the Company has repurchased 2,032,100 of its common stock under these authorizations for a total cost of $930,300,000, at an average cost of $458 per share. In addition to open market repurchases, on December 1, 1993, through a tender offer, the Company repurchased 1,095,000 shares of common stock at $630 per share.

Intangible Assets

At December 31, 1993, the Company's intangible assets, before accumulated amortization, totaled approximately $2,564,000,000, which accounted for approximately 41% of the Company's total assets.

Intangible assets represent the excess of the purchase price over the underlying fair market value of tangible assets acquired. In accordance with Accounting Principles Board Opinion No. 17, the Company amortizes substantially all intangible assets over periods of up to 40 years. This practice is arbitrarily mandated by Opinion No. 17 without regard to whether these assets have declined in value.

All of the Company's intangible assets have resulted from the acquisition of broadcasting and publishing properties. Historically, such intangible assets have substantially increased in value and have long and productive lives. We believe that the Company's intangible assets have appreciated in value, and that the requirements of Opinion No. 17, when applied to such broadcasting and publishing assets, understate net income and stockholders' equity. The amortization of intangible assets had the effect of reducing 1993 net income by approximately $57,800,000, or $3.53 per share. Historically, the amortization of

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substantially all intangible assets recorded prior to August 1993 was not deductible in computing income taxes to be paid. Subsequent to this date, under the Tax Act of 1993, directly acquired intangible assets will be deductible for income tax purposes over 15 years.

Capital Cities/ABC

Financial Summary 1983-1993

(Dollars in thousands except per share data)	1993	1992	1991
RESULTS FOR THE YEAR			
Net revenues			
Broadcasting	$4,663,215	$4,265,561	$4,329,743
Publishing	1,010,438	1,078,566	1,052,246
Total	5,673,653	5,344,127	5,381,989
Operating income			
Broadcasting	$ 778,077	$ 619,317	$ 669,708
Publishing	125,647	136,389	122,905
Income from operations	903,724	755,706	792,613
General corporate expense	(41,575)	(33,901)	(31,380)
Total	862,149	721,805	761,233
Income before extraordinary items and cumulative effect of accounting changes (a)	$ 467,379	$ 389,328	$ 374,696
Income per share before extraordinary items and cumulative effect of accounting changes (a)	$28.53	$23.45	$22.33
Cash dividends per common share	$ 0.20	$ 0.20	$ 0.20
Average shares (000's omitted)	16,380	16,600	16,780
Return on average stockholders' equity (b)	12.1%	10.4%	10.7%
SELECTED CASH FLOW DATA			
Cash provided			
Operations, before changes in operating assets and liabilities	$ 643,499	$ 502,882	$ 512,882
Proceeds from issuance of long-term debt	--	--	253,922
Proceeds from dispositions of operating companies and equity investments	12,500	150,168	1,228
Cash applied			
Acquisition of operating companies and equity investments	$ 133,294	$ 2,432	$ 48,733
Common stock purchased for treasury	715,010	118,410	83,714
Capital expenditures	97,788	114,736	120,998
Payments of long-term debt	504,873	486,327	599,302
Dividends	3,238	3,321	3,346
AT YEAR-END			
Working capital	$1,121,411	$1,637,763	$1,656,781
Total assets	5,792,618	6,522,159	6,695,712
Long-term debt	621,960	1,115,983	1,602,259
Stockholders' equity	3,572,116	3,805,742	3,654,833
Number of shares outstanding (000's omitted)	15,383	16,444	16,639
Price range of common stock			
Closing market price	$619 1/2	$507 3/4	$433 1/2
High for the year	643 3/4	521	503 1/2
Low for the year	476	410 1/8	357 1/2

(a) Extraordinary items amounted to charges of $12,122,000 ($0.74 per share) in 1993 and $31,203,000 ($1.86 per share) in 1991, and gains of $265,746,000

($16.35 per share) in 1986 and $7,585,000 ($0.58 per share) in 1984. Cumulative effect of accounting changes amounted to a charge of $143,235,000 ($8.63 per share) in 1992.

(b) Income before extraordinary items and cumulative effect of accounting changes, divided by average stockholders' equity.

1990	1989	1988	1987	1986	1985	1984
$4,283,633	$3,899,989	$3,749,557	$3,433,749	$3,153,619	$ 378,297	$ 348,
1,101,969	1,057,405	1,023,896	1,006,597	970,755	642,583	591,
5,385,602	4,957,394	4,773,453	4,440,346	4,124,374	1,020,880	939,
$ 830,457	$ 836,149	$ 722,171	$ 632,910	$ 474,535	$ 150,970	$ 144,
132,371	130,444	129,720	146,717	158,999	138,512	133,
962,828	966,593	851,891	779,627	633,534	289,482	277,
(39,613)	(44,081)	(35,862)	(33,637)	(30,856)	(11,981)	(9,
923,215	922,512	816,029	745,990	602,678	277,501	267,
$ 477,780	$ 485,727	$ 387,076	$ 279,078	$ 181,943	$ 142,222	$ 135,
$27.71	$27.25	$22.31	$16.46	$11.20	$10.87	$10
$ 0.20	$ 0.20	$ 0.20	$ 0.20	$ 0.20	$ 0.20	$ 0
17,240	17,825	17,350	16,950	16,250	13,080	13,
14.3%	15.4%	14.7%	13.4%	9.7%	17.5%	1
$ 672,705	$ 701,269	$ 558,633	$ 468,380	$ 268,162	$ 223,296	$ 196,
250,500	2,200	500	--	1,350,507	493,329	18,
5,018	7,490	19,072	--	703,378	7,222	5,
$ 61,983	$ 81,465	$ 18,143	$ 13,248	$3,162,661	$ 51,109	$ 146,
446,724	232,849	3,644	576	1,075	484	46,
120,812	193,542	153,413	116,309	153,082	75,384	53,
2,475	1,556	3,458	124,904	367,528	7,872	16,
3,417	3,538	3,427	3,231	3,219	2,595	2,
$1,919,944	$1,735,617	$1,504,954	$ 640,574	$ 416,230	$ 830,986	$ 240,
6,696,187	6,359,507	6,088,871	5,378,372	5,191,416	1,884,931	1,208,
1,947,390	1,695,071	1,693,543	1,696,901	1,821,805	714,298	222,
3,367,897	3,291,860	3,025,505	2,224,921	1,948,627	889,260	734,
16,759	17,534	17,999	16,173	16,126	12,998	12,
$459 1/8	$564 1/8	$362 1/4	$345	$267 1/2	$224 1/2	$164
633	568	369 3/4	450	279 3/4	229	174
380	353	297	267 1/4	208 1/4	152 1/4	123

1986	1985	1984	1983
$3,153,619	$ 378,297	$ 348,106	$ 302,785
970,755	642,583	591,616	459,510
4,124,374	1,020,880	939,722	762,295
$ 474,535	$ 150,970	$ 144,182	$ 124,696
158,999	138,512	133,179	104,034
633,534	289,482	277,361	228,730
(30,856)	(11,981)	(9,849)	(8,366)
602,678	277,501	267,512	220,364
$ 181,943	$ 142,222	$ 135,193	$ 114,704
$11.20	$10.87	$10.40	$8.53
$ 0.20	$ 0.20	$ 0.20	$0.20
16,250	13,080	13,000	13,455
9.7%	17.5%	19.9%	19.6%
$ 268,162	$ 223,296	$ 196,600	$ 169,363
1,350,507	493,329	18,065	202,527
703,378	7,222	5,000	3,200
$3,162,661	$ 51,109	$ 146,843	$ 22,016
1,075	484	46,135	43,619
153,082	75,384	53,866	47,595
367,528	7,872	16,030	32,766
3,219	2,595	2,570	2,656
$ 416,230	$ 830,986	$ 240,985	$ 265,847
5,191,416	1,884,931	1,208,172	1,052,912
1,821,805	714,298	222,995	220,960
1,948,627	889,260	734,455	625,255
16,126	12,998	12,867	13,103
$267 1/2	$224 1/2	$164 5/8	$144
279 3/4	229	174 1/2	157 1/2
208 1/4	152 1/4	123 1/2	114 3/4

Capital Cities/ABC

Consolidated Statement of Income

Years ended December 31, 1993, 1992 and 1991
(Dollars in thousands except per share amounts)

	1993	1992	1991
Net revenues	$5,673,653	$5,344,127	$5,381,989
Costs and expenses			
Direct operating expenses	3,557,301	3,421,054	3,463,628
Selling, general and administrative	1,097,826	1,043,595	998,760
Depreciation	95,032	95,664	96,037
Amortization of intangible assets	61,345	62,009	62,331
	4,811,504	4,622,322	4,620,756
Operating income	862,149	721,805	761,233
Other income (expense)			
Interest expense	(59,772)	(104,009)	(179,347)
Interest income	36,650	51,958	98,784
Miscellaneous, net	(10,648)	16,174	(18,474)
	(33,770)	(35,877)	(99,037)
Income before income taxes	828,379	685,928	662,196
Income taxes			
Federal	300,100	245,500	233,600
State and local	60,900	51,100	53,900
	361,000	296,600	287,500
Income before extraordinary charge and cumulative effect of accounting changes	467,379	389,328	374,696
Extraordinary charge, net of income taxes	(12,122)	--	(31,203)
Cumulative effect of accounting changes, net of income taxes	--	(143,235)	--
Net income	$ 455,257	$ 246,093	$ 343,493
Income per share before extraordinary charge and cumulative effect of accounting changes	$28.53	$23.45	$22.33
Extraordinary charge per share	(.74)	--	(1.86)
Cumulative effect of accounting changes per share	--	(8.63)	--
Net income per share	$27.79	$14.82	$20.47
Average shares outstanding (000's omitted)	16,380	16,600	16,780

See accompanying notes

Consolidated Statement of Cash Flows

Years ended December 31, 1993, 1992 and 1991 (Dollars in thousands)	1993	1992	1991
Cash flows from operating activities			
Net income	$ 455,257	$ 246,093	$ 343,493
Adjustments to reconcile net income to net cash			
Noncash and nonoperating items			
Depreciation	95,032	95,664	96,037
Amortization of intangible assets	61,345	62,009	62,331
Extraordinary charge, early debt redemption	12,122	--	31,203
Cumulative effect of accounting changes	--	143,235	--
Increase (decrease) in deferred liabilities	7,995	(26,458)	(39,897)
Other noncash and nonoperating items	11,748	(17,661)	19,715
Cash from operations before changes in operating assets and liabilities	643,499	502,882	512,882
Decrease (increase) in program assets and liabilities, net	29,722	(129,064)	171,371
(Increase) in accounts receivable	(57,895)	(2,842)	(13,151)
Increase (decrease) in accounts payable, accrued expenses and other current liabilities	5,741	47,125	(83,156)
Decrease (increase) in other operating assets, net	20,190	(10,357)	(398)
Net cash provided by operating activities	641,257	407,744	587,548
Cash flows from investing activities			
Capital expenditures	(97,788)	(114,736)	(120,998)
Acquisition of operating companies and equity investments	(133,294)	(2,432)	(48,733)
Decrease in short-term investments	337,022	99,413	187,143
Proceeds from dispositions of operating companies and equity investments	12,500	150,168	1,228
Proceeds from disposition of real estate	--	53,149	--
Other investing activities, net	27,329	(50,912)	(4,171)
Net cash provided by investing activities	145,769	134,650	14,469
Cash flows from financing activities			
Common stock purchased for treasury	(715,010)	(118,410)	(83,714)
Common stock issued under employee stock plans	29,365	26,547	30,503
Dividends	(3,238)	(3,321)	(3,346)
Payments of long-term debt	(504,873)	(486,327)	(599,302)
Premium on early redemption of debt	(15,915)	--	(37,074)
Proceeds from issuance of long-term debt	--	--	253,922
Net cash (used in) financing activities	(1,209,671)	(581,511)	(439,011)

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Net (decrease) increase in cash and short-term cash investments............	(422,645)	(39,117)	163,006
Cash and short-term cash investments			
Beginning of period..................	686,928	726,045	563,039
End of period.........................	$ 264,283	$ 686,928	$ 726,045

See accompanying notes

Capital Cities/ABC

Consolidated Balance Sheet

December 31, 1993 and 1992
(Dollars in thousands)

Assets	1993	1992
Current assets		
Cash and short-term cash investments	$ 264,283	$ 686,928
Short-term investments	173,823	510,845
Accounts and notes receivable (net of allowance for doubtful accounts of $44,650 in 1993 and $35,114 in 1992)	881,955	820,115
Program licenses and rights	495,125	524,453
Other current assets	176,966	190,294
Total current assets	1,992,152	2,732,635
Property, plant and equipment, at cost		
Land	334,719	333,816
Buildings and improvements	707,902	692,772
Broadcasting and publishing equipment	788,528	755,308
Other, including construction-in-progress	238,864	226,338
	2,070,013	2,008,234
Less accumulated depreciation	751,286	692,250
Property, plant and equipment, net	1,318,727	1,315,984
Intangible assets (net of accumulated amortization of $529,338 in 1993 and $469,602 in 1992)	2,034,680	2,047,191
Program licenses and rights, noncurrent	190,925	187,889
Other assets	256,134	238,460
	$5,792,618	$6,522,159

See accompanying notes

Liabilities and Stockholders' Equity	1993	1992
Current liabilities		
Accounts payable	$ 144,249	$ 141,045
Accrued compensation	102,992	77,077
Accrued interest	9,574	22,521
Accrued expenses and other current liabilities	201,052	218,452
Program licenses and rights	264,935	296,506
Taxes on income	142,640	135,398
Long-term debt due within one year	5,299	203,873
Total current liabilities	870,741	1,094,872
Deferred compensation	109,649	93,435
Deferred income taxes	240,935	249,154
Program licenses and rights, noncurrent	42,233	40,953
Other liabilities	243,859	241,274
Long-term debt due after one year	616,661	912,110
Total liabilities	2,124,078	2,631,798
Minority interest	96,424	84,619
Stockholders' equity		
Preferred stock, no par value (4,000,000 shares authorized)	--	--
Common stock, $1 par value (80,000,000 shares authorized)	18,394	18,394
Additional paid-in capital	1,030,634	1,031,607
Retained earnings	4,092,683	3,640,664
	5,141,711	4,690,665
Less common stock in treasury, at cost (3,010,910 shares in 1993 and 1,949,733 shares in 1992)	1,569,595	884,923
Total stockholders' equity	3,572,116	3,805,742
	$5,792,618	$6,522,159

Capital Cities/ABC

Consolidated Statement of Stockholders' Equity

Years ended December 31, 1993, 1992 and 1991 (Dollars in thousands)	Common stock	Additional paid-in capital	Retained earnings	Treasur stock
Balance January 1, 1991.................	$18,394	$ 998,570	$3,057,745	$ (706,8
Net income for 1991...................	--	--	343,493	
67,298 shares issued under Employee Stock Purchase Plan..................	--	17,475	--	8,9
21,683 shares issued on exercise of employee stock options...............	--	1,150	--	2,9
209,445 shares purchased for treasury.	--	--	--	(83,7
Cash dividends.......................	--	--	(3,346)	
Balance December 31, 1991...............	18,394	1,017,195	3,397,892	(778,6
Net income for 1992...................	--	--	246,093	
64,937 shares issued under Employee Stock Purchase Plan..................	--	14,870	--	9,0
13,078 shares issued on exercise of employee stock options...............	--	(458)	--	3,0
272,923 shares purchased for treasury.	--	--	--	(118,4
Cash dividends.......................	--	--	(3,321)	
Balance December 31, 1992...............	18,394	1,031,607	3,640,664	(884,9
Net income for 1993...................	--	--	455,257	
72,585 shares issued under Employee Stock Purchase Plan..................	--	1,023	--	26,4
10,455 shares issued on exercise of employee stock options...............	--	(1,996)	--	3,9
1,144,217 shares purchased for treasury............................	--	--	--	(715,0
Cash dividends.......................	--	--	(3,238)	
Balance December 31, 1993...............	$18,394	$1,030,634	$4,092,683	$(1,569,5

See accompanying notes

Additional paid-in capital	Retained earnings	Treasury stock	Total
$ 998,570	$3,057,745	$ (706,812)	$3,367,897
--	343,493	--	343,493
17,475	--	8,970	26,445
1,150	--	2,908	4,058
--	--	(83,714)	(83,714)
--	(3,346)	--	(3,346)
1,017,195	3,397,892	(778,648)	3,654,833
--	246,093	--	246,093
14,870	--	9,064	23,934
(458)	--	3,071	2,613
--	--	(118,410)	(118,410)
--	(3,321)	--	(3,321)
1,031,607	3,640,664	(884,923)	3,805,742
--	455,257	--	455,257
1,023	--	26,437	27,460
(1,996)	--	3,901	1,905
--	--	(715,010)	(715,010)
--	(3,238)	--	(3,238)
$1,030,634	$4,092,683	$(1,569,595)	$3,572,116

Notes to Consolidated Financial Statements

1. Accounting Policies

Principles of Consolidation--The consolidated financial statements include the accounts of all significant subsidiaries. Investments in other companies which are at least 20% owned are reported on the equity method. All significant intercompany accounts and transactions have been eliminated.

Property, Plant and Equipment - Depreciation--Depreciation is computed on the straight-line method for financial accounting purposes and on accelerated methods for tax purposes. Estimated useful lives for major asset categories are 10-55 years for buildings and improvements, 4-20 years for broadcasting equipment and 5-20 years for publishing machinery and equipment. Leasehold improvements are amortized over the terms of the leases.

Intangible Assets--Intangible assets consist of amounts by which the cost of acquisitions exceeded the values assigned to net tangible assets. The broadcasting and publishing intangible assets, all of which may be characterized as scarce assets with very long and productive lives, have historically increased in value with the passage of time. In accordance with Accounting Principles Board Opinion No. 17, substantially all of these intangible assets are being amortized over periods of up to 40 years, even though in the opinion of management there has been no diminution of value of the underlying assets.

Program Licenses and Rights--Program licenses and rights and related liabilities are recorded when the license period begins and the program is available for use. Television network and station rights for theatrical movies and other long-form programming are charged to expense primarily on accelerated bases related to the usage of the program. Television network series costs and multi-year sports rights are charged to expense based on the flow of anticipated revenue.

Short-Term Investments--Short-term investments consist of highly liquid U.S. Government instruments with original maturities in excess of three months and are carried at cost, which approximates market. Short-term investments which have a maturity of three months or less at the time of purchase are considered cash equivalents. The carrying amount of the short-term investments and cash equivalents approximates market value due to their short maturity.

Other--In November 1992, the Financial Accounting Standards Board issued Statement No. 112, "Employers' Accounting for Postemployment Benefits" and in May 1993 issued Statement No. 115, "Accounting for Certain Investments in Debt and Equity Securities." The Company will adopt both standards in 1994. The impact on the financial statements of such adoption is estimated not to be material.

Notes to Consolidated Financial Statements--(Continued)

2. Long-term Debt

Long-term debt at December 31, 1993 and 1992 is as follows (000's omitted):

	1993	1992
Commercial paper supported by bank revolving credit agreement	$100,000	$ 100,000
8 3/4% debentures due 2021	250,000	250,000
8 7/8% notes due 2000	250,000	250,000
8 3/4% sinking fund debentures due 2016	--	300,000
8 1/4% notes due 1996	--	200,000
Other long-term debt	21,960	15,983
	$621,960	$1,115,983

The aggregate payments of long-term debt outstanding at December 31, 1993, for the next five years, excluding commercial paper, are summarized as follows: 1994 - $5,299,000; 1995 - $3,602,000; 1996 - $3,638,000; 1997 - $2,891,000; 1998 - $6,153,000.

Interest paid on long-term debt during 1993, 1992 and 1991 amounted to $83,002,000, $139,674,000 and $203,170,000, respectively.

A subsidiary of the Company has issued commercial paper, $100,000,000 of which was outstanding at December 31, 1993, at a weighted average interest rate of 3.4%. The commercial paper is supported by a $1,000,000,000 bank revolving credit agreement terminating on June 30, 1995, unless otherwise extended.

Under terms of the bank revolving credit agreement, the Company and its consolidated subsidiaries are required to maintain a consolidated net worth of $2,581,211,000 at December 31, 1993, increasing annually by 33 percent of the consolidated net income of the previous year. The commercial paper outstanding at December 31, 1993, is classified as long-term since the Company intends to renew or replace with long-term borrowings all, or substantially all, of the commercial paper. However, the amount of commercial paper outstanding in 1994 is expected to fluctuate and may be reduced from time to time. The Company has unconditionally guaranteed the commercial paper, and any borrowings which may be made by a subsidiary under the bank revolving credit agreement.

The 8 7/8% notes and the 8 3/4% debentures are not redeemable prior to maturity and are not subject to any sinking fund. During 1991, the Securities and Exchange Commission declared effective a shelf registration statement of the Company which allows for the issuance of up to $500,000,000 in additional debt securities.

During 1993, the Company redeemed $200,000,000 of 8 1/4% notes due 1996 and $300,000,000 of 8 3/4% sinking fund debentures due 2016. An extraordinary charge of $12,122,000 (net of income taxes of $7,706,000), or $0.74 per share, was recorded related to these redemptions. In 1991, the Company recorded an extraordinary charge of $31,203,000 (net of income taxes of $19,015,000), or $1.86 per share, upon the early redemption of certain other long-term debt, then outstanding.

The fair value of the Company's long-term debt, estimated based on the quoted market prices for similar issues or on the current rates offered to the Company for debt of similar remaining maturities, was approximately $702,000,000 and

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$1,175,000,000 at December 31, 1993 and 1992, respectively.

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3. Employee Benefit Plans

The Company has defined benefit pension plans covering substantially all of its employees not covered by union plans. The Company's policy is to fund amounts as are necessary on an actuarial basis to provide for pension benefits in accordance with the requirements of ERISA. Benefits are generally based on years of service and compensation. The weighted average discount rate used in determining the actuarial present value of the projected benefit obligation was 8% at December 31, 1993 and 9% at December 31, 1992. The rate of increase in future compensation levels and the expected long-term rate of return on assets were 5% and 8%, respectively, in 1993 and 1992.

The components of net pension cost for 1993, 1992 and 1991 are as follows (000's omitted):

	1993	1992	1991
Service cost of current period	$ 15,494	$ 15,077	$ 14,419
Interest cost on projected benefit obligation..........	42,499	39,548	36,512
Actual return on plan assets..	(39,731)	(42,650)	(72,147)
Net amortization and deferral.	2,561	5,864	36,664
Net pension cost..............	$ 20,823	$ 17,839	$ 15,448

The following table sets forth the pension plans' funded status and amounts recognized in the balance sheet at December 31, 1993 and 1992 (000's omitted):

	1993	1992
Actuarial present value of accumulated plan benefits (including vested benefits of $479,332 in 1993 and $377,548 in 1992)................................	$ 495,304	$ 393,132
Plan assets at fair value, primarily publicly traded securities and short-term cash investments.........	$ 522,096	$ 510,207
Projected benefit obligation for service rendered to date..	(585,710)	(468,641)
Plan assets (less than) in excess of projected benefit obligation................................	(63,614)	41,566
Prior service cost not yet recognized in net periodic pension cost............................	39,493	29,918
Unrecognized net loss (gain) from past experience different from that assumed.......................	6,095	(66,664)
Unrecognized net asset (transition amount) being recognized principally over 15 years...............	(14,547)	(17,428)
(Accrued) pension cost included in balance sheet....	$ (32,573)	$ (12,608)

For certain employees not covered by pension plans, the Company contributes to profit sharing plans. The profit sharing plans provide for contributions by the Company in such amount as the Board of Directors may annually determine. Contributions to the profit sharing plans of $6,045,000, $6,192,000 and $6,432,000 were charged to expense in 1993, 1992 and 1991, respectively.

The Company also has a Savings & Investment Plan which allows eligible employees to allocate up to 10% of salary, through payroll deduction, among a Company stock fund, a diversified equity fund and a fixed interest fund. The Company matches 50% of the employee's contribution, up to 5% of salary. In

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1993, 1992 and 1991, the cost of this plan (net of forfeitures) was $11,204,000, $10,982,000 and $10,138,000, respectively.

In addition to the Company's defined benefit pension plans and qualified profit sharing plans, the Company provides certain postretirement medical and life insurance benefits to eligible retirees and dependents. Covered individuals include retired and active employees who have met certain age and service requirements at various dates during 1989. No other employees become eligible for postretirement benefits after these dates. The benefits are subject to deductibles, co-payment provisions and other limitations. The Company reserves the right to amend, modify or discontinue these plans in the future.

3. Employee Benefit Plans--(Continued)

In 1992, the Company adopted Financial Accounting Standard No. 106 "Employers' Accounting for Postretirement Benefits Other Than Pensions." In applying this statement, the Company recognized the full amount of the accumulated postretirement benefit obligation as of January 1, 1992 as a cumulative effect of an accounting change. The noncash charge to 1992 earnings was $54,817,000 (net of income taxes of $36,544,000), or $3.30 per share.

The accumulated postretirement benefit obligation was determined using an assumed discount rate of 8% at December 31, 1993 and 9% at December 31, 1992. The assumed health care cost trend rate used in measuring the accumulated postretirement benefit obligation was 13%; the rate was assumed to decrease gradually to 5 1/2% by the year 2001 and remain at that level thereafter. An increase in the assumed health care cost trend rate by one percentage point in each year would increase the accumulated postretirement benefit obligation as of December 31, 1993 by approximately $10,370,000 and the aggregate of the service and interest cost components of net periodic postretirement benefit cost for the year then ended by approximately $1,120,000.

The following table sets forth the plans' amounts recognized in the consolidated balance sheet at December 31, 1993 and 1992 for the Company's defined postretirement benefit plans (other than pensions) (000's omitted):

	1993	1992
Accumulated postretirement benefit obligation:		
Retirees............................	$ 58,165	$ 53,854
Fully eligible active participants..	21,430	21,644
Other active participants...........	22,126	18,710
Total accumulated postretirement benefit obligation...................	101,721	94,208
Unrecognized net loss.................	(4,415)	--
Accrued postretirement benefit cost...	$ 97,306	$ 94,208

Net periodic postretirement benefit cost (other than pensions) for 1993 and 1992 consisted of the following components (000's omitted):

	1993	1992
Service cost-benefits attributed to service during the period................	$1,232	$1,031
Interest cost on accumulated post-retirement benefit obligation............	8,141	7,961
Net periodic postretirement benefit cost..	$9,373	$8,992

4. Commitments

At December 31, 1993, the Company is committed to the purchase of broadcast rights for various feature films, sports and other programming aggregating approximately $3,702,000,000. The aggregate payments related to these commitments during the next five years are summarized as follows:

1994 -- $ 1,303,369,000; 1995 -- $ 751,210,000;

1996 -- $ 624,585,000; 1997 -- $ 549,276,000;
1998 -- $ 260,287,000.

The Company anticipates 1994 capital expenditures for property, plant and equipment will approximate $145,000,000.

Rental expense under operating leases amounted to $86,312,000, $92,820,000 and $93,089,000 for 1993, 1992 and 1991, respectively. Future minimum annual rental payments under non-cancelable leases are as follows (000's omitted):

	Capital leases	Operating leases
1994	$ 7,684	$ 57,770
1995	7,401	45,617
1996	7,017	40,490
1997	6,107	37,203
1998	5,652	34,335
1999 and thereafter	126,273	120,362
Minimum lease payments	160,134	$335,777
Imputed interest	(114,684)	
Present value of minimum lease payments	$ 45,450	

Total minimum payments for operating leases have not been reduced for future minimum sublease rentals aggregating $8,566,000.

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5. Segment Data

The Company's business operations are classified into two segments: Broadcasting and Publishing. Broadcasting operations include the ABC Television Network and eight television stations, the ABC Radio Networks, radio stations, cable television programming and multimedia business activities. The Publishing segment includes newspapers, shopping guides, various specialized business periodicals and books, research services and data base publishing. There are no material product transfers between segments of the Company, and virtually all of the Company's business is conducted within the United States. The segment data is as follows (000's omitted):

	1993	1992	1991	19
Broadcasting				
Net revenues	$4,663,215	$4,265,561	$4,329,743	$4,28
Direct operating costs	3,762,988	3,523,143	3,537,676	3,33
Depreciation	75,424	76,406	75,883	7
Amortization of intangible assets	46,726	46,695	46,476	4
Total operating costs	3,885,138	3,646,244	3,660,035	3,45
Income from operations	$ 778,077	$ 619,317	$ 669,708	$ 83
Assets at year-end	$4,389,700	$4,357,152	$4,249,089	$4,25
Capital expenditures	78,526	94,255	106,254	10
Publishing				
Net revenues	$1,010,438	$1,078,566	$1,052,246	$1,10
Direct operating costs	851,787	908,791	895,402	93
Depreciation	18,385	18,072	18,084	1
Amortization of intangible assets	14,619	15,314	15,855	1
Total operating costs	884,791	942,177	929,341	96
Income from operations	$ 125,647	$ 136,389	$ 122,905	$ 13
Assets at year-end	$ 824,369	$ 777,512	$ 886,482	$ 91
Capital expenditures	18,657	20,276	13,878	1
Consolidated				
Net revenues	$5,673,653	$5,344,127	$5,381,989	$5,38
Income from operations	$ 903,724	$ 755,706	$ 792,613	$ 96
General corporate expense	(41,575)	(33,901)	(31,380)	(3
Operating income	862,149	721,805	761,233	92
Interest expense	(59,772)	(104,009)	(179,347)	(16
Interest and miscellaneous, net	26,002	68,132	80,310	8
Income before income taxes	$ 828,379	$ 685,928	$ 662,196	$ 83
Assets employed by segments	$5,214,069	$5,134,664	$5,135,571	$5,16
Cash investments and other corporate assets	578,549	1,387,495	1,560,141	1,52
Total assets at year-end	$5,792,618	$6,522,159	$6,695,712	$6,69

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Networks, radio stations,
activities. The Publishing
s specialized business
se publishing. There are no
ompany, and virtually all of
d States. The segment data

	1992	1991	1990	1989
	$4,265,561	$4,329,743	$4,283,633	$3,899,989
	3,523,143	3,537,676	3,331,316	2,943,321
	76,406	75,883	75,088	74,333
	46,695	46,476	46,772	46,186
	3,646,244	3,660,035	3,453,176	3,063,840
	$ 619,317	$ 669,708	$ 830,457	$ 836,149
	$4,357,152	$4,249,089	$4,250,540	$4,177,132
	94,255	106,254	105,475	173,078
	$1,078,566	$1,052,246	$1,101,969	$1,057,405
	908,791	895,402	934,022	891,542
	18,072	18,084	18,363	17,971
	15,314	15,855	17,213	17,448
	942,177	929,341	969,598	926,961
	$ 136,389	$ 122,905	$ 132,371	$ 130,444
	$ 777,512	$ 886,482	$ 916,346	$ 899,499
	20,276	13,878	14,450	13,015
	$5,344,127	$5,381,989	$5,385,602	$4,957,394
	$ 755,706	$ 792,613	$ 962,828	$ 966,593
)	(33,901)	(31,380)	(39,613)	(44,081)
	721,805	761,233	923,215	922,512
)	(104,009)	(179,347)	(168,859)	(174,417)
	68,132	80,310	83,424	103,032
	$ 685,928	$ 662,196	$ 837,780	$ 851,127
	$5,134,664	$5,135,571	$5,166,886	$5,076,631
	1,387,495	1,560,141	1,529,301	1,282,876
	$6,522,159	$6,695,712	$6,696,187	$6,359,507

Capital Cities/ABC

Notes to Consolidated Financial Statements--(Continued)

6. Income Taxes

The Company adopted Financial Accounting Standard No. 109 (FAS 109) effective January 1, 1992. As a result of adopting FAS 109, net deferred taxes increased by $127,198,000 of which $88,418,000 was recorded as the cumulative effect of adopting the Statement.

The provision for taxes on income before the extraordinary charges for 1993 and 1991, and the cumulative effect of accounting changes for 1992 differs from the amount of tax determined by applying the federal statutory rate for the following reasons (000's omitted):

	1993		1992		1991	
	Amount	%	Amount	%	Amount	%
Income before income taxes...........	$828,379		$685,928		$662,196	
Income tax expense at statutory federal rate........................	$289,933	35.0	$233,216	34.0	$225,147	34.
State and local income taxes, net of federal benefit..................	40,321	4.9	34,547	5.0	33,432	5.
Amortization of intangibles..........	17,950	2.2	17,541	2.6	21,020	3.
Other, net...........................	12,796	1.5	11,296	1.6	7,901	1.
Total................................	$361,000	43.6	$296,600	43.2	$287,500	43.

Income tax expense is comprised of the following (000's omitted):

	1993	1992	1991
Federal			
Current......	$312,800	$274,900	$216,400
Deferred.....	(12,700)	(29,400)	17,200
	300,100	245,500	233,600
State and local			
Current......	65,500	57,400	50,500
Deferred.....	(4,600)	(6,300)	3,400
	60,900	51,100	53,900
Total..........	$361,000	$296,600	$287,500

Income taxes paid, net of refunds received, during 1993, 1992 and 1991 amounted to $341,587,000, $292,329,000 and $310,737,000, respectively.

Deferred income taxes represent the tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Significant components of the Company's deferred tax asset (recorded in other current assets on the balance sheet) and liability as of December 31, 1993 and 1992, are as follows (000's omitted):

	1993	1992

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. 109 (FAS 109) effective
t deferred taxes increased
the cumulative effect of

dinary charges for 1993 and
s for 1992 differs from the
tutory rate for the

	1992		1991	
	Amount	%	Amount	%
	$685,928		$662,196	
0	$233,216	34.0	$225,147	34.0
9	34,547	5.0	33,432	5.0
2	17,541	2.6	21,020	3.2
5	11,296	1.6	7,901	1.2
6	$296,600	43.2	$287,500	43.4

0's omitted):

993, 1992 and 1991 amounted
ectively.

mporary differences between
inancial reporting purposes

asset (recorded in other
s of December 31, 1993 and

1992

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Current		
Programming........................	$ 33,140	$ 41,475
Other, net.........................	70,023	52,570
Net current deferred tax asset.......	$ 103,163	$ 94,045
Noncurrent		
Deferred compensation..............	$ 40,665	$ 35,262
Postretirement benefits other than pensions..........................	40,431	37,744
Basis differences on prior business combinations.............	(258,511)	(257,190)
Accelerated depreciation...........	(120,303)	(111,922)
Other, net.........................	56,783	46,952
Net noncurrent deferred tax liability	$(240,935)	$(249,154)

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7. Common Stock Plans

The Company has stock option plans under which certain key personnel have been granted the right to purchase shares of common stock over a 6-, 10- or 11-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. During 1991, the stockholders approved a plan authorizing the issuance of 500,000 shares, and at the same time canceled all previously authorized but unissued options. The following information pertains to the Company's stock option plans:

	1993	1992	
Outstanding options, beginning of year	35,746	39,124	
Granted	19,100	10,000	
Canceled or expired	(125)	(300)	
Exercised	(10,455)	(13,078)	
Outstanding options, end of year	44,266	35,746	
Average price of options exercised during the year	$159.19	$175.71	
Exercise price of outstanding options, end of year	$131.13 to $634.75	$131.13 to $492.00	$131
Options exercisable, end of year	17,666	24,396	
Options available for future grant	470,900	490,000	

The Company has an Employee Stock Purchase Plan which allows eligible employees, through contributions of up to 15% of their compensation, to purchase shares at 85% of the lower of fair market value at the Grant Date or at the Purchase Date (normally one year subsequent). Employees purchased 72,585, 64,937 and 67,298 shares under the Plan in 1993, 1992 and 1991, respectively. As of December 31, 1993, 264,127 shares remain available to be purchased through the period ending April 1995.

The Company has an incentive compensation plan for certain of its employees under which amounts payable are based upon appreciation in the market price of the Company's common stock. Payments are made in either cash, common stock or a combination thereof, at the discretion of the Company.

8. Shareholder Rights Plan

In 1989, the Company adopted a Shareholder Rights Plan. The Plan becomes operative upon the occurrence of certain events involving the acquisition of 20% or more of the Company's common stock by any person or group in transactions not approved by the Company's Board of Directors. In the case of Berkshire Hathaway Inc., pursuant to an existing agreement, the threshold for activation of the Rights Plan is the acquisition of more than 30% of the Company's common stock. Upon the occurrence of such an event, each Right, unless redeemed by the Board, entitles its holder to purchase at the Right's exercise price of $2,000 a number of common shares of the Company, or in certain circumstances the acquiring company's common shares, having a market value of twice that price. The Rights expire in 1999.

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ket value on the grant date.
the total shares
after grant, provided that
During 1991, the
e of 500,000 shares, and at
unissued options. The
k option plans:

	1992	1991
35,746	39,124	61,107
19,100	10,000	--
(125)	(300)	(300)
10,455)	(13,078)	(21,683)
44,266	35,746	39,124
159.19	$175.71	$125.81
634.75	$131.13 to $492.00	$131.13 to $383.38
17,666	24,396	36,274
70,900	490,000	500,000

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Capital Cities/ABC

Notes to Consolidated Financial Statements--(Continued)

9. Quarterly Financial Data (Unaudited)

The following summarizes the Company's results of operations for each quarter of 1993 and 1992 (000's omitted, except per share amounts). The net income per share computation for each quarter and the year are separate calculations. Accordingly, the sum of the quarterly net income per share amounts may not equal the net income per share for the year.

	First quarter	Second quarter	Third quarter
1993			
Net revenues	$1,178,337	$1,438,826	$1,301,371
Costs and expenses	1,037,401	1,168,140	1,153,339
Operating income	140,936	270,686	148,032
Interest expense	(21,020)	(13,972)	(11,777)
Interest and miscellaneous, net	3,778	10,463	6,316
Income before income taxes	123,694	267,177	142,571
Income taxes	53,200	115,300	64,300
Income before extraordinary charge	70,494	151,877	78,271
Extraordinary charge	(12,122)	--	--
Net income	$ 58,372	$ 151,877	$ 78,271
Income per share			
Before extraordinary charge	$4.29	$ 9.21	$4.75
Extraordinary charge	(.74)	--	--
Net income per share	$3.55	$9.21	$4.75
1992			
Net revenues	$1,095,421	$1,391,321	$1,215,289
Costs and expenses	997,501	1,122,592	1,098,806
Operating income	97,920	268,729	116,483
Interest expense	(27,146)	(27,309)	(26,241)
Interest and miscellaneous, net	4,472	30,495	21,018
Income before income taxes	75,246	271,915	111,260
Income taxes	33,500	124,400	49,100
Income before cumulative effect of accounting changes	41,746	147,515	62,160
Cumulative effect of accounting changes	(143,235)	--	--
Net income	$ (101,489)	$ 147,515	$ 62,160
Income per share			
Before cumulative effect of accounting changes	$2.51	$8.84	$3.74
Cumulative effect of accounting changes	(8.63)	--	--
Net income per share	$(6.12)	$8.84	$3.74

----
ed)

erations for each quarter of
ts). The net income per
separate calculations.
 share amounts may not equal

rst rter	Second quarter	Third quarter	Fourth quarter	Year
8,337	$1,438,826	$1,301,371	$1,755,119	$5,673,653
7,401	1,168,140	1,153,339	1,452,624	4,811,504
0,936	270,686	148,032	302,495	862,149
1,020)	(13,972)	(11,777)	(13,003)	(59,772)
3,778	10,463	6,316	5,445	26,002
3,694	267,177	142,571	294,937	828,379
3,200	115,300	64,300	128,200	361,000
0,494	151,877	78,271	166,737	467,379
2,122)	--	--	--	(12,122)
8,372	$ 151,877	$ 78,271	$ 166,737	$ 455,257
$4.29	$ 9.21	$4.75	$10.35	$ 28.53
(.74)	--	--	--	(.74)
$3.55	$9.21	$4.75	$10.35	$ 27.79
5,421	$1,391,321	$1,215,289	$1,642,096	$5,344,127
7,501	1,122,592	1,098,806	1,403,423	4,622,322
7,920	268,729	116,483	238,673	721,805
7,146)	(27,309)	(26,241)	(23,313)	(104,009)
4,472	30,495	21,018	12,147	68,132
5,246	271,915	111,260	227,507	685,928
3,500	124,400	49,100	89,600	296,600
1,746	147,515	62,160	137,907	389,328
3,235)	--	--	--	(143,235)
1,489)	$ 147,515	$ 62,160	$ 137,907	$ 246,093
$2.51	$8.84	$3.74	$8.38	$23.45
(8.63)	--	--	--	(8.63)
(6.12)	$8.84	$3.74	$8.38	$14.82

Notes to Consolidated Financial Statements--(Continued)

10. Common Stock and
Stockholder Information (Unaudited)

As of February 28, 1994, the approximate number of holders of common stock was 8,610. Dividends of $.05 per share have been paid for each quarter of 1993 and 1992. The common stock is traded on the New York and Pacific Stock Exchanges. The high, low and closing prices of the Company's common stock for each quarter of 1993 and 1992 are as follows:

	1993			1992		
	High	Low	Close	High	Low	Close
1st quarter...........	531 3/4	476	530	$475	$410 1/8	$425
2nd quarter...........	551	500	503 1/8	487	413	450 7/8
3rd quarter...........	577	489 3/4	571	467 7/8	428 1/4	453 1/4
4th quarter...........	643 3/4	567	619 1/2	521	418 3/4	507 3/4

Report of Independent Auditors

The Board of Directors and Shareholders
Capital Cities/ABC, Inc.

We have audited the accompanying consolidated balance sheets of Capital Cities/ABC, Inc. as of December 31, 1993 and 1992, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 1993. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Capital Cities/ABC, Inc. at December 31, 1993 and 1992, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 1993, in conformity with generally accepted accounting principles.

As discussed in Notes 3 and 6 to the consolidated financial statements, in 1992, the Company changed its method of accounting for other postretirement benefits and income taxes.

New York, New York
February 28, 1994

Capital Cities/ABC

Report of Management

The management of Capital Cities/ABC, Inc. is responsible for the preparation of and the information included in the consolidated financial statements. These statements, including the accompanying notes, have been prepared in accordance with generally accepted accounting principles and include amounts which are based upon management's best estimates and judgments.

In recognition of its responsibility for the integrity and reliability of the data contained in the financial statements, management maintains a system of internal controls. Internal controls are designed to provide reasonable, but not absolute, assurance at an appropriate cost, that assets are safeguarded from loss or unauthorized use, and that the financial records are reliable for the preparation of financial statements.

The Audit Committee of the Board of Directors, which is composed of six outside directors, meets periodically with management, the independent auditors and the Company's internal auditors to ensure that each is carrying out its responsibilities. The Audit Committee reports its conclusions and recommendations to the Board of Directors. Both the independent and internal auditors have free and direct access to the Audit Committee.

The financial statements have been audited by the Company's independent auditors in accordance with generally accepted auditing standards. In that connection, the independent auditors develop and maintain an understanding of the Company's accounting controls and conduct such tests and related procedures as they deem necessary to render their opinion as to the fairness of the presentation in all material respects of the financial statements in conformity with generally accepted accounting principles.

Thomas S. Murphy
Chairman of the
Board and Chief
Executive Officer

Ronald J. Doerfler
Senior Vice President and
Chief Financial Officer

*** C04 ***

Capital Cities/ABC

Corporate

Thomas S. Murphy, Chairman of the Board and
Chief Executive Officer

John B. Fairchild, Executive Vice President; Chairman,
Fairchild Publications Group

Robert A. Iger, Executive Vice President;
President, ABC Television Network Group

Ronald J. Doerfler, Senior Vice President and
Chief Financial Officer

Herbert A. Granath, Senior Vice President; President,
Cable and International Broadcast Group

Michael P. Mallardi, Senior Vice President;
President, Broadcast Group

Phillip J. Meek, Senior Vice President;
President, Publishing Group

Stephen A. Weiswasser, Senior Vice President and
General Counsel; President, Multimedia Group

David Westin, Senior Vice President; President of
Production, ABC Television Network Group

Alan N. Braverman, Vice President and Deputy
General Counsel

Allan J. Edelson, Vice President and Controller

David J. Vondrak, Vice President and Treasurer

Joseph M. Fitzgerald, Vice President, Investor Relations

James M. Goldberg, Vice President, Taxes

Robert T. Goldman, Vice President, Administration

Christine Hikawa, Vice President, Broadcast Standards
and Practices

Andrew E. Jackson, Vice President, Corporate Affairs

Charles Keller, Vice President, Corporate Initiatives

Patricia J. Matson, Vice President, Corporate Communications

Jeffrey Ruthizer, Vice President, Labor Relations

William J. Wilkinson, Vice President and Executive
Assistant to the Chairman

Philip R. Farnsworth, Secretary

Allen S. Bomes, Assistant Treasurer

* * * * * *

ABC Television Network Group

Robert A. Iger, President

Peter Chrisanthopoulos, Executive Vice President

John J. Wolters, Senior Vice President

ABC Entertainment

Edward W. Harbert, President

Stuart J. Bloomberg, Executive Vice President

Ronald B. Sunderland, Executive Vice President

Judd L. Parkin, Senior Vice President

Mark A. Pedowitz, Senior Vice President

Donna L. Rosenstein, Senior Vice President

Alan B. Sternfeld, Senior Vice President

P. Thomas Van Schaick, Senior Vice President

Mark C. Zakarin, Senior Vice President

ABC Daytime

Patricia K. Fili-Krushel, President

Mary Alice Dwyer-Dobbin, Senior Vice President

William D. Herlihy, Senior Vice President

ABC Early Morning and Late Night

Philip R. Beuth, President

ABC Children's Programming

Jeanette B. Trias, President

ABC Television Network

Mark A. Mandala, President

Marvin F. Goldsmith, President, Sales & Marketing

Robert J. Cagliero, Executive Vice President

Lawrence S. Fried, Executive Vice President

George H. Newi, Executive Vice President

ABC News

Roone Arledge, President

Paul Friedman, Executive Vice President

Robert J. Murphy, Senior Vice President

William N. Temple, Senior Vice President

Richard C. Wald, Senior Vice President

Alan H. Wurtzel, Senior Vice President

ABC Sports

Dennis D. Swanson, President

Dennis Lewin, Senior Vice President

Robert H. Apter, Senior Vice President

Broadcast Operations & Engineering

Preston A. Davis, President

Michael C. Lang, Senior Vice President

Production

David Westin, President

ABC PRODUCTIONS

Brandon Stoddard, President

GREENGRASS PRODUCTIONS

ABC/KANE PRODUCTIONS

Dennis B. Kane, President

Capital Cities/ABC

Broadcast Group

Michael P. Mallardi, President

Television Stations

Lawrence J. Pollock, President

Robert O. Niles, Vice President

WABC-TV (New York, NY)
Walter C. Liss, Jr., President, General Manager

KABC-TV (Los Angeles, CA)
G. Alan Nesbitt, President, General Manager

WLS-TV (Chicago, IL)
Joseph J. Ahern, President, General Manager

WPVI-TV (Philadelphia, PA)
Thomas P. Kane, President, General Manager

KGO-TV (San Francisco, CA)
James G. Topping, President, General Manager

KTRK-TV (Houston, TX)
James E. Masucci, President, General Manager

WTVD (Durham-Raleigh, NC)
Timothy J. Bennett, President, General Manager

KFSN-TV (Fresno, CA)
Marc Edwards, President, General Manager

NATIONAL TELEVISION SALES

John B. Watkins, President

Radio

James P. Arcara, President

ABC Radio Networks

Robert F. Callahan, Jr., President

Bart W. Catalane, Executive Vice President

David M. Kantor, Executive Vice President

Radio Stations--Group I

Don P. Bouloukos, President

WABC-AM (New York, NY)
Don P. Bouloukos, President, General Manager

WPLJ-FM (New York, NY)
J. Mitchell Dolan, President, General Manager

KABC-AM (Los Angeles, CA)
George Green, President, General Manager

KLOS-FM (Los Angeles, CA)
Bill Sommers, President, General Manager

KGO-AM (San Francisco, CA)
Michael Luckoff, President, General Manager

WJR-AM (Detroit, MI)
James E. Long, President, General Manager

WHYT-FM (Detroit, MI)
John E. Cravens, President, General Manager

KQRS-AM/FM (Minneapolis, MN)
Mark S. Steinmetz, President, General Manager

Radio Stations--Group II

Norman S. Schrutt, President

WLS-AM/FM (Chicago, IL)
Thomas R. Tradup, President, General Manager

WMAL-AM (Washington, DC)
Thomas J. Bresnahan, President, General Manager

WRQX-FM (Washington, DC)
James M. Robinson, President, General Manager

WBAP-AM (Fort Worth-Dallas, TX)
William J. Hare, President, General Manager

KSCS-FM (Fort Worth-Dallas, TX)
Victor J. Sansone, President, General Manager

WKHX-AM/FM (Atlanta, GA)
WYAY-FM (Atlanta, GA)
Norman S. Schrutt, President, General Manager

* * * * * *

Cable and International Broadcast Group

Herbert A. Granath, President

John T. Healy, Executive Vice President

ESPN (Bristol, CT)

Steven M. Bornstein, President

ABC INTERNATIONAL OPERATIONS (New York, NY)

John T. Healy, President

Richard F. Spinner, President and Managing
Director, European Operations

ABC DISTRIBUTION (New York, NY)

*** C09 ***

Joseph Y. Abrams, President

DIC ENTERTAINMENT (Los Angeles, CA)

Andrew Heyward, President

ARTS & ENTERTAINMENT (New York, NY)

LIFETIME (New York, NY)

Capital Cities/ABC

Capital Cities/ABC Multimedia Group

Stephen A. Weiswasser, President

Bruce Maggin, Executive Vice President

CAPITAL CITIES/ABC VIDEO PUBLISHING (Stamford, CT)

Jon R. Peisinger, President

* * * * * *

Publishing Group

Phillip J. Meek, President

Newspapers

THE KANSAS CITY STAR (Kansas City, MO)
Robert C. Woodworth, President, Publisher

FORT WORTH STAR-TELEGRAM (Fort Worth, TX)
Richard L. Connor, President, Publisher

THE OAKLAND PRESS GROUP (Pontiac, MI)
Bruce H. McIntyre, President, Publisher

BELLEVILLE NEWS-DEMOCRAT GROUP (Belleville, IL)
Gary L. Berkley, President, Publisher

THE TIMES LEADER GROUP (Wilkes-Barre, PA)
Dale A. Duncan, President, Publisher

OREGON NEWSPAPER GROUP (Albany, OR)
Richard F. Anderson, President

NEW ENGLAND NEWSPAPER GROUP (Canton, Guilford, Milford, North Haven and West Hartford, CT; Marshfield and Cape Cod, MA; and Kingston, RI)
John E. Coots, Group Executive

SHOPPING GUIDES

Wesley R. Turner, Group Executive

PENNYSAVERS (Orange and San Diego Counties, Sacramento and Stockton, CA)
William E. Carman, President

PENNYPOWER SHOPPING NEWS (Wichita, KS and Springfield, MO)
Michael T. Blasi, President

NORTHWEST NICKELS (Seattle-Tacoma and Spokane, WA; Portland, OR; Las Vegas, NV)

Specialized Publications

DIVERSIFIED PUBLISHING GROUP
Ann Maynard Gray, President

AGRICULTURAL PUBLISHING GROUP (Carol Stream, IL)
Allan R. Johnson, President

CHILTON ENTERPRISES (Radnor, PA)
David S. Loewith, President

CHILTON PUBLICATIONS (Radnor, PA)
Leon C. Hufnagel, President

LOS ANGELES MAGAZINE (Los Angeles, CA)
Geoff Miller, Publisher

NILS PUBLISHING COMPANY (Chatsworth, CA)
William H. Bang, President

FAIRCHILD PUBLICATIONS GROUP (New York, NY)
John B. Fairchild, Chairman and Editorial Director
Michael F. Coady, President

FINANCIAL SERVICES AND MEDICAL GROUP
Peter A. Derow, President

INSTITUTIONAL INVESTOR (New York, NY)
Peter A. Derow, President

INTERNATIONAL MEDICAL NEWS GROUP (Short Hills, NJ)
Thomas Fowler, President

CAPITAL CITIES CAPITAL
George M. Cain, President

Executive Officers

Thomas S. Murphy
Chairman of the Board and
Chief Executive Officer

John B. Fairchild
Executive Vice President;
Chairman, Fairchild
Publications Group

Robert A. Iger
Executive Vice President;
President, ABC Television
Network Group

Ronald J. Doerfler
Senior Vice President and
Chief Financial Officer

Herbert A. Granath
Senior Vice President;
President, Cable and
International Broadcast
Group

Michael P. Mallardi
Senior Vice President;
President, Broadcast
Group

Phillip J. Meek
Senior Vice President;
President, Publishing Group

Stephen A. Weiswasser
Senior Vice President and
General Counsel; President,
Multimedia Group

David Westin
Senior Vice President;
President of Production,
ABC Television Network
Group

*** D01 ***

Board of Directors

THOMAS S. MURPHY 1,4
Chairman of the Board and Chief Executive Offer

ROBERT P. BAUMAN 3*
Chief Executive, SmithKline Beecham, p.l.c.

NICHOLAS F. BRADY 3
Chairman and Chief Executive Officer, Darby
Overseas Investments, Ltd.; Former Secretary
of the United States Department of the Treasury

WARREN E. BUFFETT 4*
Chairman of the Board and Chief Executive Officer,
Berkshire Hathaway Inc.

DANIEL B. BURKE 1,4
Retired President and Chief Executive Officer,
Capital Cities/ABC, Inc.

FRANK T. CARY 2
Former Chairman of the Board and Chief Executive
Officer, International Business Machines Corporation

JOHN B. FAIRCHILD
Executive Vice President
Chairman, Fairchild Publications Group

LEONARD H. GOLDENSON 1*
Chairman of the Executive Committee;
Retired Chairman of the Board and Chief Executive
Officer, American Broadcasting Companies, Inc.

FRANK S. JONES 2
Ford Professor of Urban Affairs, Emeritus
Massachusetts Institute of Technology

ANN DIBBLE JORDAN 2
Former Director of Social Service Department,
University of Chicago Medical School

JOHN H. MULLER, JR. 1,2*,3
Chairman of the Executive Committee, former Chairman of the
Board and Chief Executive Officer, General Housewares Corp.

WYNDHAM ROBERTSON 2
Vice President for Communications,
University of North Carolina

M. CABELL WOODWARD, JR. 1,2
Retired Vice Chairman and Chief Financial Officer,
ITT Corporation

Director Emeritus

GERALD DICKLER
Former Senior Counsel,
Hall, Dickler, Lawler, Kent & Friedman,
Attorneys at Law

1 Member of Executive Committee

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2 Member of Audit Committee
3 Member of Compensation Committee
4 Member of Finance Committee

* Committee Chairman

Transfer Agent and Registrar

Harris Trust Company of New York
77 Water Street
New York, New York 10005

The Company's Common Stock is listed for trading on the New York and Pacific Stock Exchanges (Symbol: CCB)

LOGO

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*** D03 ***

Capital Cities/ABC, Inc.
77 West 66th Street
New York, New York 10023-6298
(212) 456-7777

Annual Report Exhibits (the title of each graph is self-explanatory):

On Page 1 of the Annual Report, there is a bar chart entitled "Income before extraordinary items and cumulative effect of accounting changes." The plot points are as follows:

1986	1987	1988	1989	1990	1991	1992	1993
181.9	279.1	387.1	485.7	477.8	374.7	389.3	467.4

On Page 1 of the Annual Report, there is a bar chart entitled "Income per share before extraordinary itesm and cumulative effect of accounting changes." The plot points are as follows:

1986	1987	1988	1989	1990	1991	1992	1993
11.20	16.46	22.31	27.25	27.71	22.33	23.45	28.53

On Page 8 of the Annual Report, there is a bar chart entitled "Broadcasting - Net Revenues." The plot points are as follows:

1986	1987	1988	1989	1990	1991	1992	1993
3,153.6	3,433.7	3,749.6	3,900.0	4,283.6	4,329.7	4,265.6	4,663.2

On Page 8 of the Annual Report, there is a bar chart entitled "Broadcasting - Operating Income." The plot points are as follows:

1986	1987	1988	1989	1990	1991	1992	1993
474.5	632.9	722.2	836.1	830.5	669.7	619.3	778.1

On Page 17 of the Annual Report, there is a bar chart entitled "Publishing - Net Revenues." The plot points are as follows:

1986	1987	1988	1989	1990	1991	1992	1993
970.8	1,006.6	1,023.9	1,057.4	1,102.0	1,052.2	1,078.6	1,010.4

On Page 17 of the Annual Report, there is a bar chart entitled "Publishing - Operating Income." The plot points are as follows:

1986	1987	1988	1989	1990	1991	1992	1993
159.0	146.7	129.7	130.4	132.4	122.9	136.4	125.6

On Page 21 of the Annual Report, there is a bar chart entitled "Operating Income." The plot points are as follows:

1986	1987	1988	1989	1990	1991	1992	1993
602.7	746.0	816.0	922.5	923.2	761.2	721.8	862.1

On Page 24 of the Annual Report, there is a bar chart entitled "Capital Expenditures." The plot points are as follows:

1986	1987	1988	1989	1990	1991	1992	1993
153.1	116.3	153.4	193.5	120.8	121.0	114.7	97.8

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EXHIBIT (21)

As of December 31, 1993

Subsidiaries of Capital Cities/ABC, Inc.

	Jurisdiction of Incorporation
Capital Cities/ABC, Inc. (parent)	New York
ABC Holding Company Inc.	Delaware
ABC Cable and International Broadcast, Inc. (formerly Capital Cities/ABC Video Enterprises, Inc.)	Delaware
ABC Cable and International Broadcast Worldwide Holdings, Inc. (formerly Capital Cities/ABC Video Enterprises Worldwide Holdings, Inc.)	Delaware
Capital Cities/ABC Video, Inc.	Delaware
Capital Cities/ABC Video Musical Investments, Inc.	Delaware
Capital Cities/ABC Video Productions, Inc.	Delaware
COBRA Productions, Inc.	California
DIC Post, Inc.	California
HAC MFP Productions, Inc.	California
MFP Productions, Inc. (Stock in these 4 companies is held by DIC Productions, L.P., a Delaware limited partnership, in which Capital Cities/ABC Video Productions, Inc. is the general partner)	California
HEMPRO, Inc.	Delaware
TPT, Inc.	California
Capital Cities/ABC Video Systems, Inc.	Delaware
Discriminating Distribution Enterprises, Inc.	Delaware
French Productions, Inc.	Delaware
Top Drawer Productions, Inc. (formerly Mexican Investments, Inc.)	Delaware
910353 Ontario Inc.	Canada
Spanish Productions, Inc.	Delaware
ABC Consumer Magazines Holding Company, Inc.	Delaware
ABC Daytime Circle, Inc.	Delaware
ABC Network Holding Company, Inc.	Delaware
ABC Equipment Leasing, Inc.	New York
ABC Motion Pictures, Inc.	Delaware
ABC Records, Inc.	New York
ABC Circle Music, Inc.	New York
American Broadcasting Music, Inc.	New York
ABC Theatre Holdings, Inc.	Delaware
ABC Interstate Theatres, Inc.	Delaware
ABC Southeastern Theatres, Inc.	Delaware
Ambro Land Holdings, Inc.	Delaware
Ambroco Development Corp.	New York
Broadway Development Corp.	New York
Columbus West Development Corp.	New York
67th Street Development Corp.	New York
66th Street Development Corp.	New York

Capital Cities/ABC, Inc. (parent) (continued)
ABC Holding Company Inc. (continued)
ABC Network Holding Company, Inc. (continued)

Circle Location Services, Inc.	Delaware
Stage Five Productions, Inc.	California
TNC Company, Inc.	Delaware
ABC News Holding Company, Inc.	Delaware
ABC News, Inc.	Delaware
ABC News InterActive, Inc.	Delaware
ABC News Intercontinental, Inc.	Delaware
Worldwide Television News Corporation	Delaware
Transcontinental Television, Inc.	Delaware
Worldwide Television News France S.A.R.L.	France
Worldwide Television News GmbH	Germany
Worldwide Television News (U.K.) Limited	United Kingdom
Starbird Satellite Services Limited	United Kingdom
ABC News Overseas Sales, Inc.	Delaware
ABC Radio Network, Inc.	Delaware
ABC Radio International, Inc.	Delaware
ABC Radio (UK) Limited	United Kingdom
ABC/Watermark, Inc.	Delaware
ABC Sports Holding Company, Inc.	Delaware
ABC Sports, Inc.	New York
ABC Sports Intercontinental S.A.R.L.	France
ABC Sports Marketing, Inc.	Delaware
ABC Sports Video, Inc.	Delaware
American Broadcasting Companies, Inc.	Delaware
Capital Cities/ABC National Television Sales, Inc.	Delaware
Capital Cities/ABC Video Publishing, Inc.	Delaware
Chilton Holding Company, Inc.	Delaware
Chilton Company	Delaware
Automotive Information Properties, Inc.	Illinois
Capital Cities/ABC Diversified Advertising GmbH	Germany
The Center for Curriculum Development, Inc.	Delaware
Chilton Professional Automotive, Inc.	Delaware
ESPN Holding Company, Inc.	Delaware
ESPN, Inc.	Delaware
English Sports, Inc.	Delaware
ESPN 88	United Kingdom
Transatlantic Productions, Inc.	Delaware
ESPN Asia, Ltd.	Delaware
ESPN Enterprises, Inc.	Delaware
European Investment Company, Inc.	Delaware
European Media Development Company, Inc.	Delaware
European Sports Program Network, Inc.	Delaware
O.C.C. Sports, Inc.	Delaware
O.P.I. Sports, Inc.	Delaware

Capital Cities/ABC, Inc. (parent) (continued)	
ABC Holding Company Inc. (continued)	
Farm Progress Holding Company, Inc.	Delaware
Farm Progress Companies, Inc.	Illinois
Farm Progress Insurance Services, Inc.	Illinois
Indiana Prairie Farmer Insurance Services, Inc.	Indiana
New York Farm Show, Inc.	New York
The Miller Publishing Company, Inc.	Minnesota
Hitchcock Holding Company, Inc.	Delaware
Hitchcock Publishing Company	Delaware
Professional Exposition Management Company, Inc.	Delaware
KABC-AM Radio, Inc.	Delaware
KGO Television, Inc.	Delaware
KGO-AM Radio, Inc.	Delaware
KLOS-FM Radio, Inc.	Delaware
KLOS Syndications, Inc.	Delaware
L.I.C. Warehouse Realty Company, Inc.	Delaware
Los Angeles Magazine Holding Company, Inc.	Delaware
Los Angeles Magazine, Inc.	Delaware
NILS Holding Company, Inc.	Delaware
NILS Publishing Company	Delaware
CCB/NILS, Inc.	Delaware
NILS Enterprises, Inc.	Delaware
Premiere Cassettes Marketing, Inc.	Delaware
36/38/40 West 66 Realty Company, Inc.	Delaware
WABC-AM Radio, Inc.	Delaware
WLS Television, Inc.	Delaware
WLS-AM Holding Company, Inc.	Delaware
WLS, Inc.	Delaware
WLS-FM Radio, Inc.	Delaware
WMAL Holding Company, Inc.	Delaware
WMAL, Inc.	Delaware
WPLJ-FM Radio, Inc.	Delaware
ABC/Kane Productions International, Inc.	Delaware
Capital Cities/ABC Cable Holdings, Inc.	Delaware
Capital Cities Capital, Inc.	Delaware
Capital Cities Entertainment Systems, Inc.	Delaware
Capital Cities Media, Inc.	New York
Capital Cities/ABC Publishing/Far East, Inc.	Japan
Fairchild Media Services, Inc.	Delaware
Fairchild Publications S.A.R.L.	France
Foothills Trader, Inc.	Connecticut
Guilford Publishing Company, Inc.	Delaware
Imprint, Inc.	Delaware
Mariner Newspapers, Inc.	New York
Newside Publications, Inc.	Delaware
Pennysaver of Cape Cod, Inc.	Massachusetts
Practical Homeowner Holding Company, Inc.	New York
Precision Marketing Services, Inc.	Delaware
Quad County Publishing, Inc.	Illinois
Capital Cities Vision, Inc.	New York
CC Finance Holding Corporation	Delaware
Capital Cities/ABC Finance Company, Inc.	Delaware

Capital Cities/ABC, Inc. (parent)(continued)	
CC Texas Holding Co., Inc.	Delaware
KTRK Television, Inc.	Michigan
Southfield Realty Company, Inc.	Michigan
Weehawken Corporation	Delaware
CCC Properties, Inc.	New York
Institutional Investor, Inc.	Delaware
Institutional Investor (Europe) Limited	United Kingdom
JBS Productions Holding Company, Inc.	Delaware
a.k.a. Productions, Inc.	Delaware
The Andrew Adelson Company	California
AMBROCO Media Group, Inc.	Delaware
Canaka Productions, Inc.	Delaware
Class of '96 Productions, Inc.	Delaware
Empty Chair Productions, Inc.	Delaware
Greengrass Productions, Inc.	Delaware
Interglobal Productions, Inc.	Delaware
Fogash Films Limited	Channel Islands
The Kansas City Star Company (also owns the preferred stock of Capital Cities Media, Inc.)	Missouri
KQRS Holding Corporation	Delaware
KQRS, Inc.	Delaware
KRXY Holding Corporation	Delaware
KRXY Radio, Inc.	Delaware
Legal Com of Delaware, Inc.	Delaware
Legal Communications Corporation	Missouri
Mexican Business Publishing, Inc.	Delaware
Mexican Publishing Company, Inc.	Delaware
Promotora Vina Sala, S.A. de C.V. (Stock is held 99.998% by Mexican Business Publishing, Inc. and .002% by Mexican Publishing Company, Inc.)	Mexico
Sibonei, S.A. de C.V. (Stock is held 99.998% by Mexican Publishing Company, Inc. and .002% by Mexican Business Publishing, Inc.)	Mexico
Expansion, S.A. (Stock is held 51% by Promotora Vina Sala, S.A. de C.V. and 49% by Sibonei, S.A. de C.V.)	Mexico
Nordic Investments, Inc.	Delaware
The Oakland Press Company	Michigan
Pennypower of Kansas, Inc.	Delaware
Pennypower Shopping News, Inc.	Kansas
ST Partner, Inc.	Delaware
Star-Telegram Newspaper, Inc.	Delaware
Media Transport, Inc. (Stock is held by Star-Telegram Operating, Ltd., a Texas limited partnership, in which ST Partner, Inc. is the limited partner and Star-Telegram Newspaper, Inc. is the managing general partner)	Texas
Sutton Industries, Inc.	Delaware
J V Z Enterprises	California
PSP & D, Inc.	Delaware
TV Connection, Inc.	Delaware
WBAP-KSCS Partner, Inc.	Delaware
WBAP-KSCS Radio, Inc.	Delaware
Wilson Publishing Company	Rhode Island

*** D09 ***

EXHIBIT 99(a)

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K
ANNUAL REPORT
PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

¢X! ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 1993.

or

¢_! TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from ____________ to ____________

Commission file number 1-4278

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

CAPITAL CITIES/ABC, INC. SAVINGS & INVESTMENT PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

CAPITAL CITIES/ABC, INC.
77 West 66 Street
New York, New York 10023

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S I G N A T U R E S

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the Plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Capital Cities/ABC, Inc. Savings & Investment Plan

Date: March 14, 1994

David J. Vondrak, a member
of the Employee Benefits Committee

*** D11 ***

CAPITAL CITIES/ABC, INC. SAVINGS & INVESTMENT PLAN

FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

DECEMBER 31, 1993

(WITH REPORT OF ERNST & YOUNG, INDEPENDENT AUDITORS THEREON)

CAPITAL CITIES/ABC, INC. SAVINGS & INVESTMENT PLAN

Index to Financial Statements

Supplemental Schedules:	Schedule
Investments at December 31, 1993	1
Combining Statements of Financial Condition as of December 31, 1993 and 1992	2
Combining Statements of Income and Changes in Plan Equity for the years ended December 31, 1993, 1992 and 1991	3
Single Transactions in Excess of 5% of the Current Value of Plan Assets	4

Exhibit:

Consent of Ernst & Young

*** E01 ***

REPORT OF ERNST & YOUNG INDEPENDENT AUDITORS

The Board of Directors
Capital Cities/ABC, Inc.

We have audited the accompanying statements of financial condition of the Capital Cities/ABC, Inc. Savings & Investment Plan (the Plan) as of December 31, 1993 and 1992, and the related statements of income and changes in plan equity for each of the three years in the period ended December 31, 1993. Our audits also included the financial statement schedules listed in the accompanying index to financial statements. These financial statements and schedules are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements and schedules based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial condition of the Plan at December 31, 1993 and 1992, and the results of its operations and changes in its plan equity for each of the three years in the period ended December 31, 1993, in conformity with generally accepted accounting principles. Also, in our opinion, the related financial statement schedules, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

ERNST & YOUNG

New York, New York
March 14, 1994

CAPITAL CITIES/ABC, INC. SAVINGS & INVESTMENT PLAN

STATEMENTS OF FINANCIAL CONDITION

DECEMBER 31, 1993 AND 1992

ASSETS	1993	1992
Investments, at market (notes 1 and 3):		
Equity Securities:		
Capital Cities/ABC, Inc. common stock (cost of $128,861,397 and $126,479,181 in 1993 and 1992, respectively)	$279,231,572	$231,617,271
Other (cost of $37,050,924 and $31,250,396 in 1993 and 1992, respectively)	42,377,131	36,522,393
Total equity securities	321,608,703	268,139,664
Other investments:		
Bankers Trust Pyramid Directed Account Cash Fund	3,797,926	2,269,018
Funds on deposit with insurance companies	113,629,385	97,525,355
Total other investments	117,427,311	99,794,373
Total investments	439,036,014	367,934,037
Participant loans (note 2)	9,093,543	8,354,906
Receivables from sales of investments	-	152,162
Interest and dividends receivable	305,971	739,207
Due from Capital Cities/ABC, Inc.	2,260,057	2,794,763
Total assets	$450,695,585	$379,975,075
LIABILITIES AND PLAN EQUITY		
Due to terminated and withdrawing participants	$ 4,983,927	$ 5,652,052
Payables for purchases of investments	458,865	-
Plan equity	445,252,793	374,323,023
Total liabilities and plan equity	$450,695,585	$379,975,075

See accompanying notes to financial statements.

*** E03 ***

CAPITAL CITIES/ABC, INC. SAVINGS & INVESTMENT PLAN

STATEMENTS OF INCOME AND CHANGES IN PLAN EQUITY

YEARS ENDED DECEMBER 31, 1993, 1992 AND 1991

	1993	1992	1991
Investment income:			
Dividends	$ 878,479	$ 841,884	$ 774,819
Interest	7,804,018	7,366,769	7,530,128
Total investment income	8,682,497	8,208,653	8,304,947
Appreciation of Capital Cities/ABC, Inc. common stock distributed to terminated and withdrawing participants (note 1)	5,331,485	1,858,251	2,471,355
Net gain on sales of investments	9,486,275	1,470,457	2,377,834
Net increase (decrease) in unrealized appreciation of plan assets held at year end (note 1)	45,286,295	33,943,579	(10,946,233)
	68,786,552	45,480,940	2,207,903
Contributions:			
Participants (note 2)	25,143,822	27,327,695	27,781,216
Employer (notes 1 and 2)	11,198,503	13,220,562	9,674,343
Total contributions	36,342,325	40,548 257	37,455,559
Interest on participant loans (note 2)	565,127	550,590	482,260
Cash transferred from other plan (note 2)	-	3,877,175	-
Total	105,694,004	90,456,962	40,145,722
Distributions to terminated and withdrawing participants (note 1):			
Capital Cities/ABC, Inc. common stock, at market value	11,176,531	3,220,570	6,160,715
Cash	23,355,061	22,905,738	19,039,010
Total distributions	34,531,592	26,126,308	25,199,725
Administrative expenses (note 4)	232,642	176,607	139,379
Change in plan equity	70,929,770	64,154,047	14,806,618
Plan equity:			
Beginning of year	374,323,023	310,168,976	295,362,358
End of year	$445,252,793	$374,323,023	$310,168,976

*** E04 ***

See accompanying notes to financial statements.

CAPITAL CITIES/ABC, INC. SAVINGS & INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1993, 1992 AND 1991

(1) Summary of Significant Accounting Policies

(a) The accompanying financial statements present plan equity and changes therein of the Capital Cities/ABC, Inc. Savings & Investment Plan (the Plan) on an accrual basis. The Plan consists of three funds:

Fund A - Capital Cities/ABC, Inc.
Common Stock Fund
Fund B - Diversified Equity Fund
Fund C - Fixed Interest Fund

(b) The investment in common stock of Capital Cities/ABC, Inc. (Capital Cities/ABC) is stated at market value which is based on the year-end stock quotation from the New York Stock Exchange.

Investments of the Diversified Equity Fund consist of equity securities and convertible debentures of companies other than Capital Cities/ABC. The market value of the equity investments is also based on year-end stock quotations from the New York Stock Exchange.

Investments of the Fixed Interest Fund consist of funds on deposit with insurance companies under contracts which provide a guaranteed annual rate of interest. The Fixed Interest Fund is valued at the contracts' carrying amounts.

Cash may be temporarily invested in obligations of the U.S. Government or other short-term investments.

Realized gains and losses on sales of securities are accounted for on a weighted average cost basis. Purchases and sales are recorded on a trade date basis. Dividend income is accrued on the ex-dividend date. Interest income is recorded on an accrual basis as earned.

Unrealized appreciation at the beginning and end of each year and the net increase (decrease) for each year included in the accompanying statements of income and changes in plan equity are as follows:

	1993	1992	1991
Balance at beginning of year	$110,410,087	$ 76,466,508	$ 87,412,741
Balance at end of year	155,696,382	110,410,087	76,466,508
Net increase/(decrease)	$ 45,286,295	$ 33,943,579	$(10,946,233)

CAPITAL CITIES/ABC, INC. SAVINGS & INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1993, 1992 AND 1991

(1) Summary of Significant Accounting Policies (Continued)

(c) Distributions to terminated and withdrawing participants are based upon the market value of units and/or shares credited to participants' accounts as of the effective date of termination or withdrawal. The difference between the market value on the effective date of distribution and the cost of shares distributed is shown separately in the accompanying combined statements of income and changes in plan equity.

(d) Employer contributions are reported net of forfeitures of $254,154, $174,247 and $137,869 for 1993, 1992 and 1991, respectively.

(2) Description of Plan

The Plan is an employee savings and investment plan for participating employees of American Broadcasting Companies, Inc. (ABC) (an indirect wholly owned subsidiary of Capital Cities/ABC) and those other subsidiaries and divisions of Capital Cities/ABC which were previously a part of, or affiliates of ABC. Individuals who became employees of the corporate and other broadcasting properties of Capital Cities/ABC subsequent to 1988 are eligible to participate in the Plan. In addition, approximately 5,000 employees of certain properties within Capital Cities/ABC's Publishing Group are eligible to participate in the Plan. The cash transfer of $3,877,175 in 1992 represents the merger of the International Medical News Group Profit Sharing Plan into the Plan.

Under the Plan, eligible employees may authorize payroll deductions of either 2, 3, 4 or 5% of their annual compensation to be invested in one or more of three funds. Such contributions may be in the form of regular after-tax contributions (taxable), or tax deferred contributions. Capital Cities/ABC will contribute an amount equal to 50% of such deductions, to be invested in the Capital Cities/ ABC, Inc. Common Stock Fund (Fund A). Participants can also contribute an additional unmatched 2, 3, 4 or 5% of annual compensation, which may be designated as either taxable or tax deferred contributions for any year. Combined employee and employer-matched contributions are limited to $30,000 for all defined contribution plans. In 1993 and 1992, the IRS-imposed limitation on tax deferred contributions made by employees was $8,994 and $8,728, respectively. Participants are immediately vested with respect to their own contributions. Participants with less than 5 years of service vest with respect to employer contributions over a three-year period, one-third each year. Upon completion of 5 years of service, death, permanent disability, retirement or termination of service after age 65, a participant's account is considered fully vested.

The Plan permits the Employee Benefits Committee to postpone distributions of a member's account in instances where a member's termination of services arises out of a change in ownership of stock or all or part of the assets of a member's employing unit and such member is reemployed by the acquiring entity if such termination is not deemed a "separation from service" within the meaning of the applicable income tax rulings or regulations. In such instances the Employee Benefits Committee may postpone the distribution until such distribution may be accomplished without adverse income tax consequences to the member or to the Plan or may allow a transfer to another qualified plan or allow a permissible tax-free rollover.

CAPITAL CITIES/ABC, INC. SAVINGS & INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1993, 1992 AND 1991

(2) Description of Plan (Continued)

Under the Plan, members are allowed to obtain loans equal to the lesser of the amount of such member's account attributable to taxable and tax deferred contributions or the maximum amount allowable under Federal tax regulations with $1,000 being the minimum. The loans bear interest at a rate determined by the Employee Benefits Committee.

The value of a participant's account is determined based upon share value for Fund A and unit values for Funds B and C. Upon permanent disability or retirement, the amount credited to a participant's account is distributed to him or his beneficiary, either in a lump sum or in installments over a period not exceeding ten years. Upon termination of employment for reasons other than permanent disability or retirement, the amount credited to the participant's account is distributed in a lump sum. While employed, a participant may, in 10% increments or a lump sum, withdraw from the Plan the amount credited to his account which is attributable to his taxable contributions. Upon a withdrawn participant's termination, the vested amount credited to his account attributable to employer contributions is distributed to him. If a participant terminates prior to vesting with respect to employer contributions, forfeited funds are used to reduce the contribution of Capital Cities/ABC. Distributions of Fund A are paid either in shares of Capital Cities/ABC common stock or cash. Distributions for Funds B and C are paid in cash.

As of December 31, 1993 there were 9,803 participants in Fund A, 4,792 participants in Fund B and 7,041 participants in Fund C.

As of December 31, 1993 there were 6,772,307 total units in Fund B and 25,862,811 total units in Fund C with unit values of $7.20 and $4.49, respectively.

(Continued)

CAPITAL CITIES/ABC, INC. SAVINGS & INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1993, 1992 AND 1991

(3) Changes in Investment in Equity Securities

Changes in investment in equity securities, at cost, for the years ended December 31, 1993 and 1992 were as follows:

	Shares	Cost
Capital Cities/ABC, Inc. common stock:		
Balance at December 31, 1991	445,845	$119,827,361
Purchases	22,163	9,864,823
Distributions to terminated and withdrawing participants	(11,844)	(3,213,003)
Balance at December 31, 1992	456,164	126,479,181
Purchases	16,216	8,428,702
Distributions to terminated and withdrawing participants	(21,643)	(6,046,486)
Balance at December 31, 1993	450,737	$128,861,397
Other equity securities:		
Balance at December 31, 1991	606,048	$ 23,076,592
Purchases	799,550	23,402,711
Sales	(429,098)	(15,228,907)
Balance at December 31, 1992	976,500	31,250,396
Purchases	1,153,827	32,586,076
Sales	(890,702)	(26,785,548)
Balance at December 31, 1993	1,239,625	$ 37,050,924

(Continued)

CAPITAL CITIES/ABC, INC. SAVINGS & INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1993, 1992 AND 1991

(4) Administration of the Plan

Under the terms of a trust agreement between Bankers Trust Company (the Trustee) and the Plan, the Trustee manages the Plan assets on behalf of the Plan. Substantially all of the Plan assets are held by the Trustee.

Costs incurred specifically by the Plan are paid directly from funds of the Plan.

(5) Termination of the Plan

Although Capital Cities/ABC has not expressed any intent to terminate the Plan, it may be terminated at any time by action of its Board of Directors. In the event of termination, the amounts credited to the participants' accounts become fully vested and the Trustee is required to distribute such amounts to participants or continue the trust fund and pay benefits therefrom in accordance with the provisions of the Plan.

(6) Income Tax Status

The Internal Revenue Service has advised Capital Cities/ABC on March 24, 1989 that the Plan is qualified under Section 401(a) of the Internal Revenue Code, and therefore, its related trust is exempt from Federal income taxes under the provisions of Section 501(a) of the Code. The Plan has been amended to comply with certain legislative and regulatory changes.

Participants are not subject to Federal income tax on employer contributions made to their accounts under the Plan, or on the earnings in their accounts, until amounts in their accounts are withdrawn or distributed.

*** E11 ***

SUPPLEMENTAL SCHEDULES

Schedule 1

CAPITAL CITIES/ABC, INC. SAVINGS & INVESTMENT PLAN

INVESTMENTS

DECEMBER 31, 1993

DESCRIPTION	NUMBER OF SHARES	COST	MARKET VALUE
Equity Securities:			
Abbott Labs Com	26,000	$ 724,558	$ 770,250
Albertsons Inc Com	15,000	408,315	401,250
Amerada Hess Corp Com	13,600	726,919	613,700
American Intl Group Inc Com	7,500	417,209	658,125
Ann Taylor Stores Corp	12,500	291,500	309,375
Armstrong World Inds Inc Com	7,500	240,407	399,375
Attwoods Plc Adr	30,000	344,394	300,000
Baker Hughes Inc Com	10,500	248,139	210,000
Banc One Corp Com	13,725	514,561	536,991
Bard C R Inc Com	13,000	326,891	328,250
Capital Cities/ABC Inc Com	450,737	128,861,397	279,231,572
Capital Holdings Corp Del Com	25,000	631,930	928,125
Carter Wallace Inc Com	22,500	713,510	480,938
Chesapeake Corp	13,500	307,383	344,250
Chicago & North Westn Holdings Corp	15,000	297,798	375,000
Chubb Corp Com	7,500	482,333	584,063
Colgate Palmolive Co Com	11,000	560,594	686,125
Coltec Inds Inc	26,000	411,060	487,500
Columbia Healthcare Corp Com	14,000	390,880	463,750
Cooper Inds Inc Com	7,500	370,380	369,375
Donnelley RR & Sons Co Com	18,500	531,560	575,813
Eastman Kodak Co Com	7,500	307,950	421,875
Equitable Cos Inc Com	33,200	681,131	896,400
Fruit of the Loom Cl A	19,000	476,457	458,375
Fuller H B Co Com	7,000	264,000	252,000
General Electric Co Com	8,000	566,475	839,000
General Re Corp Com	7,000	620,318	749,000
Glaxo Holdings Plc Sponsored Adr	43,500	985,137	908,063
Hewlett Packard Co Com	12,000	783,761	948,000
Illinois Centl Corp Com Ser A	16,500	456,973	591,938
Intel Corp Com	12,000	621,638	744,000
Johnson & Johnson Com	9,600	415,899	430,800
Kimberly Clark Corp Com	9,000	417,870	466,875
Limited Inc Com	32,000	770,698	544,000
Longview Fibre Co (Washington) Com	25,500	444,101	576,938
LTV Corp New Com	18,700	270,196	301,538
Manor Care Inc Com	23,000	464,669	560,625
Mapco Inc Com	7,600	421,634	464,550
MBNA Corp Com	13,000	327,964	433,875
McDonalds Corp Com	13,000	434,788	741,000
MCI Communications Corp Com	12,800	333,720	361,600
Mead Corp Com	14,000	524,811	630,000
Millipore Corp Com	13,000	375,399	520,000
Minnesota Mng & Mfg Co Com	2,000	183,906	217,500
Nationsbank Corp Com	6,400	294,784	313,600

*** A01 ***

Schedule 1
(Continued)

CAPITAL CITIES/ABC, INC. SAVINGS & INVESTMENT PLAN

INVESTMENTS

DECEMBER 31, 1993

DESCRIPTION	NUMBER OF SHARES	COST	MARKET VALUE
Equity Securities: (Continued)			
Noble Affiliates Inc Com	16,000	427,554	424,000
NWNL Cos Inc	16,000	312,634	512,000
Omnicom Group Com	15,000	639,675	693,750
Oryx Energy Co Com	27,500	526,315	474,375
Owens Corning Fiberglass Corp Com New	16,000	647,343	710,000
Owens Ill Inc Com New	55,000	607,477	680,625
Pall Corp Com	17,800	315,570	327,075
Pfizer Inc Com	14,400	925,162	993,600
Price/Costco Inc Com	22,100	381,295	425,425
Primerica Corp Del	17,500	414,552	680,312
Procter & Gamble Co Com	10,100	487,433	575,700
Provident Life & Acc Ins Co Cl B	17,500	330,804	540,312
Safeco Corp Com	14,500	500,065	797,500
Schering Plough Corp Com	12,000	703,533	822,000
Schlumberger Ltd Com	8,000	530,197	473,000
Scott Paper Co Com	14,100	506,654	579,863
Scripp E W Co Cl A	21,000	567,265	577,500
Stratus Computer Inc Com	14,500	452,461	454,937
Tandy Corp Com	21,000	642,784	1,039,500
Texas Instrs Inc Com	6,800	407,818	431,800
Tidewater Inc Com	14,100	303,150	282,000
Topps Inc Com	14,000	112,500	98,000
Torchmark Corp Com	10,000	430,715	450,000
Toys R Us Inc Com	12,000	439,198	490,500
Union Tex Pete Hldgs Inc Com	22,500	416,038	458,438
Unocal Corp Com	27,900	747,918	777,713
V F Corp Com	14,500	680,823	668,812
Washington Mut Svgs Bk Seattle Com	30,000	623,620	723,750
Wells Fargo & Co Com	11,500	919,495	1,487,812
Weyerhaeuser Co Com	15,000	643,211	669,375
Whitman Corp Com	9,000	113,949	146,250
WMX Technologies Inc Com	27,200	909,116	717,400
TOTAL EQUITY SECURITIES	1,690,362	165,912,321	321,608,703
Other Investments:			
Bankers Trust Pyramid Directed Account Cash Fund		3,797,926	3,797,926
Funds on Deposit with Insurance Companies: (at carrying value)			
Group Annuity Contracts with:			
AETNA Life Insurance		74,742,927	74,742,927
Metropolitan Life Insurance		38,886,458	38,886,458
TOTAL OTHER INVESTMENTS		117,427,311	117,427,311

	*** A02 ***	
TOTAL INVESTMENTS	$283,339,632	$439,036,014

*** A03 ***

Schedule 2

CAPITAL CITIES/ABC, INC. SAVINGS & INVESTMENT PLAN

COMBINING STATEMENTS OF FINANCIAL CONDITION

DECEMBER 31, 1993

ASSETS	Total Funds	Fund A - Capital Cities/ ABC, Inc. Common Stock Fund	Fund Divers Equi Fun
Investments, at market			
Equity Securities:			
Capital Cities/ABC, Inc. common stock	$279,231,572	$279,231,572	$
Other	42,377,131	-	42,37
Total equity securities	321,608,703	279,231,572	42,37
Other investments:			
Bankers Trust Pyramid Directed Account Cash Fund	3,797,926	53,311	3,72
Funds on deposit with insurance companies	113,629,385	-	
Total other investments	117,427,311	53,311	3,72
Total investments	439,036,014	279,284,883	46,09
Participant loans	9,093,543	5,649,738	86
Interest and dividends receivable	305,971	26,968	7
Due from Capital Cities/ ABC, Inc.	2,260,057	(1,777,944)	2,38
TOTAL ASSETS	$450,695,585	$283,183,645	$49,42
LIABILITIES AND PLAN EQUITY			
Due to terminated and withdrawing participants	$ 4,983,927	$ 2,791,315	$ 20
Payables for purchases of investments	458,865	-	45
Plan equity	445,252,793	280,392,330	48,75
TOTAL LIABILITIES AND PLAN EQUITY	$450,695,585	$283,183,645	$49,42

Schedule 2

ESTMENT PLAN

CONDITION

Total Funds	Fund A - Capital Cities/ ABC, Inc. Common Stock Fund	Fund B - Diversified Equity Fund	Fund C - Fixed Interest Fund
279,231,572	$279,231,572	$ -	$ -
42,377,131	-	42,377,131	-
321,608,703	279,231,572	42,377,131	-
3,797,926	53,311	3,720,113	24,502
113,629,385	-	-	113,629,385
117,427,311	53,311	3,720,113	113,653,887
439,036,014	279,284,883	46,097,244	113,653,887
9,093,543	5,649,738	867,763	2,576,042
305,971	26,968	74,649	204,354
2,260,057	(1,777,944)	2,382,983	1,655,018
450,695,585	$283,183,645	$49,422,639	$118,089,301
4,983,927	$ 2,791,315	$ 203,788	$ 1,988,824
458,865	-	458,865	-
445,252,793	280,392,330	48,759,986	116,100,477
450,695,585	$283,183,645	$49,422,639	$118,089,301

Schedule 2

CAPITAL CITIES/ABC, INC. SAVINGS & INVESTMENT PLAN

COMBINING STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 1992

ASSETS	Total Funds	Fund A - Capital Cities/ ABC, Inc. Common Stock Fund	Fund Diver Equ Fu
Investments, at market			
Equity Securities:			
Capital Cities/ABC, Inc. common stock	$231,617,271	$231,617,271	$
Other	36,522,393	-	36,52
Total equity securities	268,139,664	231,617,271	36,52
Other investments:			
Bankers Trust Pyramid Directed Account Cash Fund	2,269,018	1,024,288	1,24
Funds on deposit with insurance companies	97,525,355	-	
Total other investments	99,794,373	1,024,288	1,24
Total investments	367,934,037	232,641,559	37,76
Participant loans	8,354,906	5,175,427	79
Receivables from sales of investments	152,162	-	15
Interest and dividends receivable	739,207	24,288	7
Due from Capital Cities/ ABC, Inc.	2,794,763	720,646	1,26
TOTAL ASSETS	$379,975,075	$238,561,920	$40,05
LIABILITIES AND PLAN EQUITY			
Due to terminated and withdrawing participants	$ 5,652,052	$ 3,191,343	$ 51
Plan equity	374,323,023	235,370,577	39,53
TOTAL LIABILITIES AND PLAN EQUITY	$379,975,075	$238,561,920	$40,05

Schedule 2

ESTMENT PLAN

ONDITION

Total Funds	Fund A - Capital Cities/ ABC, Inc. Common Stock Fund	Fund B - Diversified Equity Fund	Fund C - Fixed Interest Fund
$231,617,271	$231,617,271	$ -	$ -
36,522,393	-	36,522,393	-
268,139,664	231,617,271	36,522,393	-
2,269,018	1,024,288	1,244,730	-
97,525,355	-	-	97,525,355
99,794,373	1,024,288	1,244,730	97,525,355
367,934,037	232,641,559	37,767,123	97,525,355
8,354,906	5,175,427	793,900	2,385,579
152,162	-	152,162	-
739,207	24,288	75,557	639,362
2,794,763	720,646	1,262,095	812,022
$379,975,075	$238,561,920	$40,050,837	$101,362,318
$ 5,652,052	$ 3,191,343	$ 519,029	$ 1,941,680
374,323,023	235,370,577	39,531,808	99,420,638
$379,975,075	$238,561,920	$40,050,837	$101,362,318

Schedule 3

CAPITAL CITIES/ABC, INC. SAVINGS & INVESTMENT PLAN

COMBINING STATEMENTS OF INCOME AND CHANGES IN PLAN EQUITY

DECEMBER 31, 1993

	Total Funds	Fund A - Capital Cities/ ABC, Inc. Common Stock Fund	Fund B - Diversified Equity Fund
Investment income:			
Dividends	$ 878,479	$ 91,462	$ 787,017
Interest	7,804,018	36,088	99,296
Total investment income	8,682,497	127,550	886,313
Appreciation of Capital Cities/ABC, Inc. common stock distributed to terminated and withdrawing participants	5,331,485	5,331,485	-
Net gain on sales of investments	9,486,275	-	2,988,256
Net increase in unrealized appreciation of plan assets held at year end	45,286,295	45,232,085	54,210
	68,786,552	50,691,120	3,928,779
Contributions:			
Participants	25,143,822	5,716,341	7,541,631
Employer	11,198,503	11,198,503	-
Total contributions	36,342,325	16,914,844	7,541,631
Interest on participant loans	565,127	363,265	56,512
Participant transfers	-	(3,651,421)	1,588,091
Total	105,694,004	64,317,808	13,115,013
Distributions to terminated and withdrawing participants:			
Capital Cities/ABC, Inc. common stock, at market value	11,176,531	11,176,531	-
Cash	23,355,061	8,119,524	3,654,193
Total distributions	34,531,592	19,296,055	3,654,193
Administrative expenses	232,642	-	232,642
Change in plan equity	70,929,770	45,021,753	9,228,178

Schedule 3

ESTMENT PLAN

S IN PLAN EQUITY

nds	Fund A - Capital Cities/ ABC, Inc. Common Stock Fund	Fund B - Diversified Equity Fund	Fund C - Fixed Interest Fund
,479	$ 91,462	$ 787,017	$ -
,018	36,088	99,296	7,668,634
,497	127,550	886,313	7,668,634
,485	5,331,485	-	-
,275	-	2,988,256	6,498,019
,295	45,232,085	54,210	-
,552	50,691,120	3,928,779	14,166,653
,822	5,716,341	7,541,631	11,885,850
,503	11,198,503	-	-
,325	16,914,844	7,541,631	11,885,850
,127	363,265	56,512	145,350
-	(3,651,421)	1,588,091	2,063,330
,004	64,317,808	13,115,013	28,261,183
,531	11,176,531	-	-
,061	8,119,524	3,654,193	11,581,344
,592	19,296,055	3,654,193	11,581,344
,642	-	232,642	-
,770	45,021,753	9,228,178	16,679,839

	*** A09 ***		
Plan equity:			
Beginning of year	374,323,023	235,370,577	39,531,808
End of year	$445,252,793	$280,392,330	$48,759,986

,023	235,370,577	39,531,808	99,420,638
,793	$280,392,330	$48,759,986	$116,100,477

Schedule 3

CAPITAL CITIES/ABC, INC. SAVINGS & INVESTMENT PLAN

COMBINING STATEMENTS OF INCOME AND CHANGES IN PLAN EQUITY

DECEMBER 31, 1992

	Total Funds	Fund A - Capital Cities/ ABC, Inc. Common Stock Fund	Fund B - Diversified Equity Fund
Investment income:			
Dividends	$ 841,884	$ 90,366	$ 751,518
Interest	7,366,769	33,760	25,797
Total investment income	8,208,653	124,126	777,315
Appreciation of Capital Cities/ABC, Inc. common stock distributed to terminated and withdrawing participants	1,858,251	1,858,251	-
Net gain on sales of investments	1,470,457	-	1,470,457
Net increase in unrealized appreciation of plan assets held at year end	33,943,579	31,691,637	2,251,942
	45,480,940	33,674,014	4,499,714
Contributions:			
Participants	27,327,695	8,038,693	6,931,665
Employer	13,220,562	13,220,562	-
Total contributions	40,548,257	21,259,255	6 931,665
Interest on participant loans	550,590	300,040	67,716
Participant transfers	-	(2,708,037)	1,740,186
Cash transfered from other plan	3,877,175	116,853	426,428
Total	90,456,962	52,642,125	13,665,709
Distributions to terminated and withdrawing participants:			
Capital Cities/ABC, Inc. common stock, at market value	3,220,570	3,220,570	-
Cash	22,905,738	10,505,985	3,091,097
Total distributions	26,126,308	13,726,555	3,091,097
Administrative expenses	176,607	-	176,607
Change in plan equity	64,154,047	38,915,570	10,398,005

Schedule 3

ESTMENT PLAN

S IN PLAN EQUITY

unds	Fund A - Capital Cities/ ABC, Inc. Common Stock Fund	Fund B - Diversified Equity Fund	Fund C - Fixed Interest Fund
,884	$ 90,366	$ 751,518	$ -
,769	33,760	25,797	7,307,212
,653	124,126	777,315	7,307,212
,251	1,858,251	-	-
,457	-	1,470,457	-
,579	31,691,637	2,251,942	-
,940	33,674,014	4,499,714	7,307,212
,695	8,038,693	6,931,665	12,357,337
,562	13,220,562	-	-
,257	21,259,255	6 931,665	12,357 337
,590	300,040	67,716	182,834
-	(2,708,037)	1,740,186	967,851
,175	116,853	426,428	3,333,894
,962	52,642,125	13,665,709	24,149,128
,570	3,220,570	-	-
,738	10,505,985	3,091,097	9,308,656
,308	13,726,555	3,091,097	9,308,656
,607	-	176,607	-
,047	38,915,570	10,398,005	14,840,472

*** B01 ***

Plan equity:			
Beginning of year	310,168,976	196,455,007	29,133,803
End of year	$374,323,023	$235,370,577	$39,531,808

*** B02 ***

,976	196,455,007	29,133,803	84,580,166
,023	$235,370,577	$39,531,808	$99,420,638

*** B03 ***

Schedule 3

CAPITAL CITIES/ABC, INC. SAVINGS & INVESTMENT PLAN

COMBINING STATEMENTS OF INCOME AND CHANGES IN PLAN EQUITY

DECEMBER 31, 1991

	Total Funds	Fund A - Capital Cities/ ABC, Inc. Common Stock Fund	Fun Divers Equi Fun
Investment income:			
Dividends	$ 774,819	$ 88,809	$ 68
Interest	7,530,128	62,345	10
Total investment income	8,304,947	151,154	78
Appreciation of Capital Cities/ABC, Inc. common stock distributed to terminated and withdrawing participants	2,471,355	2,471,355	
Net gain on sales of investments	2,377,834	-	2,37
Net (decrease) increase in unrealized appreciation of plan assets held at year end	(10,946,233)	(13,503,607)	2,55
	2,207,903	(10,881,098)	5,72
Contributions:			
Participants	27,781,216	11,085,552	4,83
Employer	9,674,343	9,674,343	
Total contributions	37,455,559	20,759,895	4,83
Interest on participant loans	482,260	433,850	1
Participant transfers	-	(1,220,137)	(32
Total	40,145,722	9,092,510	10,24
Distributions to terminated and withdrawing participants:			
Capital Cities/ABC, Inc. common stock, at market value	6,160,715	6,160,715	
Cash	19,039,010	7,935,993	2,58
Total distributions	25,199,725	14,096,708	2,58
Administrative expenses	139,379	-	13
Change in plan equity	14,806,618	(5,004,198)	7,52

Schedule 3

ESTMENT PLAN

S IN PLAN EQUITY

unds	Fund A - Capital Cities/ ABC, Inc. Common Stock Fund	Fund B - Diversified Equity Fund	Fund C - Fixed Interest Fund
,819	$ 88,809	$ 686,010	$ -
,128	62,345	102,326	7,365,457
,947	151,154	788,336	7,365,457
,355	2,471,355	-	-
,834	-	2,377,834	-
,233)	(13,503,607)	2,557,374	-
,903	(10,881,098)	5,723,544	7,365,457
,216	11,085,552	4,834,966	11,860,698
,343	9,674,343	-	-
,559	20,759,895	4,834,966	11,860,698
,260	433,850	11,775	36,635
-	(1,220,137)	(325,162)	1,545,299
,722	9,092,510	10,245,123	20,808,089
,715	6,160,715	-	-
,010	7,935,993	2,584,310	8,518,707
,725	14,096,708	2,584,310	8,518,707
,379	-	139,379	-
,618	(5,004,198)	7,521,434	12,289,382

*** BOS ***

Plan equity:			
Beginning of year	295,362,358	201,459,205	21,61
End of year	$310,168,976	$196,455,007	$29,13

*** B06 ***

,358	201,459,205	21,612,369	72,290,784
,976	$196,455,007	$29,133,803	$84,580,166

CAPITAL CITIES/ABC, INC. SAVINGS & INVESTMENT PLAN

SINGLE TRANSACTIONS IN EXCESS OF 5% OF THE CURRENT VALUE OF PLAN ASSETS

YEAR ENDED DECEMBER 31, 1993

Shares	Description of Investment	Cost of Investment Purchased	Proceeds from Sale	Cost of Investment Disposed	Gain/ (Loss
74,742,927	AETNA Life Group Annuity Contract (9.75%)	$ -	$74,742,927	$74,742,927	$
74,742,927	AETNA Life Group Annuity Contract (2.91%)	74,742,927	-	-	

ESTMENT PLAN

NT VALUE OF PLAN ASSETS

3

t	Proceeds from Sale	Cost of Investment Disposed	Gain/ (Loss)
-	$74,742,927	$74,742,927	$ -
7	-	-	-

CONSENT OF ERNST & YOUNG

We consent to the incorporation by reference in the Registration Statement (Form S-8 No 33-2196) pertaining to the Capital Cities/ABC, Inc. Savings & Investment Plan and in the related Prospectus of our report dated March 14, 1994, with respect to the financial statements and schedules of the Capital Cities/ABC, Inc. Savings & Investment Plan included in this Annual Report (Form 11-K) for the year ended December 31, 1993.

ERNST & YOUNG

New York, New York
March 14, 1994

EXHIBIT (99)(b)

The Registrant hereby undertakes as follows, which undertakings shall be and hereby are incorporated by reference into Form S-8 Registration Statements No. 2-59014, No. 2-86863, No. 33-2196, No. 33-11806, No. 33-16206, No. 33-25918, No. 33-33761 and No. 33-52563.

UNDERTAKINGS

The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement: (i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933; (ii)to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement; (iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

The undersigned Registrant hereby undertakes to deliver or cause to be delivered with the prospectus, to each person to whom the prospectus is sent or given, the latest annual report to security holders that is incorporated by reference in the prospectus and furnished pursuant to and meeting the requirements of Rule 14a-3 or Rule 14c-3 under the Securities Exchange Act of 1934; and, where interim financial information required to be presented by Article 3 of Regulation S-X is not set forth in the prospectus, to deliver, or cause to be delivered, to each person to whom the prospectus is sent or given, the latest quarterly report that is specifically incorporated by reference in the prospectus to provide such interim financial information.