

# SECURITIES AND EXCHANGE COMMISSION

## FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1995-05-10** | Period of Report: **1995-03-26**  
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### FILER

#### TRIBUNE CO

CIK: **726513** | IRS No.: **361880355** | State of Incorporation: **DE** | Fiscal Year End: **1231**  
Type: **10-Q** | Act: **34** | File No.: **001-08572** | Film No.: **95536069**  
SIC: **2711** Newspapers: publishing or publishing & printing

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SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 26, 1995

Commission file number 1-8572

TRIBUNE COMPANY

(Exact name of registrant as specified in its charter)

Delaware	36-1880355
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

435 North Michigan Avenue, Chicago, Illinois	60611
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (312) 222-9100

No Changes

(Former name, former address and former fiscal year, if changed since last report)

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 / /

At May 5, 1995 there were 65,128,625 shares outstanding of the Company's Common Stock (without par value).

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.  
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TRIBUNE COMPANY AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
(In thousands of dollars, except per share data)

(Unaudited)

	First Quarter Ended	
	March 26, 1995	March 27, 1994
	-----	-----
<S>	<C>	<C>
Operating revenues.....	\$532,790	\$480,718
Operating expenses		
Cost of sales (exclusive of items shown below).....	270,842	240,566
Selling, general and administrative.....	139,814	129,388
Depreciation and amortization of intangible assets.....	30,100	26,162
	-----	-----
Total operating expenses.....	440,756	396,116
	-----	-----
Operating profit.....	92,034	84,602
Equity in QUNO net income (loss).....	4,081	(9,123)
Gain on sale of America Online stock.....	15,272	-
Interest income.....	4,321	4,622
Interest expense.....	(4,263)	(5,848)
	-----	-----
Income before income taxes.....	111,445	74,253
Income taxes.....	(43,482)	(34,184)
	-----	-----
Net income.....	67,963	40,069
Preferred dividends, net of tax.....	(4,621)	(4,644)
	-----	-----
Net income attributable to common shares.....	\$ 63,342	\$ 35,425
	=====	=====
Net income per share:		
Primary	\$ .96	\$ .53
	=====	=====
Fully diluted	\$ .89	\$ .49
	=====	=====
Dividends per common share.....	\$ .28	\$ .26
	=====	=====

See Notes to Condensed Consolidated Financial Statements.

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TRIBUNE COMPANY AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
(In thousands of dollars)

	March 26, 1995	December 25, 1994
	-----	-----
	(Unaudited)	
<S>	<C>	<C>
ASSETS		
Current assets		
Cash and short-term investments.....	\$ 67,049	\$ 21,824
Accounts receivable, net.....	283,690	313,316
Broadcast rights.....	185,380	155,754

Inventories, prepaid expenses and other.....	63,142	52,650
	-----	-----
Total current assets.....	599,261	543,544
Investment in and advances to QUNO.....	265,176	265,818
Property, plant and equipment.....	1,335,803	1,316,715
Accumulated depreciation.....	(693,142)	(675,684)
Net properties.....	642,661	641,031
	-----	-----
Broadcast rights.....	175,514	195,535
Intangible assets, net.....	829,556	834,596
Mortgage note receivable from affiliate.....	82,536	83,314
Other.....	236,505	221,987
	-----	-----
Total assets.....	\$2,831,209	\$2,785,825
	=====	=====
LIABILITIES AND STOCKHOLDERS' INVESTMENT		
Current liabilities		
Contracts payable for broadcast rights.....	\$ 176,516	\$ 145,026
Deferred income.....	61,090	35,766
Income taxes.....	50,847	19,291
Accounts payable, accrued expenses and other current liabilities.....	331,150	329,603
	-----	-----
Total current liabilities.....	619,603	529,686
Long-term debt.....	406,185	411,200
Deferred income taxes.....	156,091	149,521
Contracts payable for broadcast rights.....	203,293	218,102
Other.....	146,469	144,336
	-----	-----
Total liabilities.....	1,531,641	1,452,845
Stockholders' investment		
Series B convertible preferred stock.....	322,917	329,286
Common stock.....	1,018	1,018
Additional paid-in capital.....	112,203	112,624
Retained earnings.....	1,793,001	1,743,417
Treasury stock (at cost).....	(720,388)	(636,561)
Unearned compensation related to ESOP.....	(274,101)	(274,101)
Cumulative translation adjustment.....	(20,757)	(20,675)
Unrealized gain on investments.....	85,675	77,972
	-----	-----
Total stockholders' investment.....	1,299,568	1,332,980
	-----	-----
Total liabilities and stockholders' investment.....	\$2,831,209	\$2,785,825
	=====	=====

See Notes to Condensed Consolidated Financial Statements.

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TRIBUNE COMPANY AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands of dollars)  
(Unaudited)

	First Quarter Ended	
	March 26, 1995	March 27, 1994
<S>	<C>	<C>
Operations		
Net income.....	\$ 67,963	\$ 40,069
Adjustments to reconcile net income to net cash provided by operations:		
Equity in QUNO net (income) loss.....	(4,081)	9,123
Gain on sale of America Online stock.....	(15,272)	-
Depreciation and amortization of intangible assets.....	30,100	26,162
Other, net.....	91,295	73,425
Net cash provided by operations.....	170,005	148,779
Investments		
Capital expenditures.....	(21,417)	(18,068)
Acquisitions.....	(8,000)	(93,927)
Proceeds from sale of America Online stock.....	16,729	-
Other, net.....	2,118	(7,619)
Net cash used for investments.....	(10,570)	(119,614)
Financing		
Repayments of long-term debt.....	(5,303)	(17,260)
Sale of common stock to employees, net.....	4,243	4,536
Purchase of treasury stock.....	(89,140)	-
Dividends.....	(18,379)	(17,424)
Redemption of preferred stock.....	(5,631)	-
Net cash used for financing.....	(114,210)	(30,148)
Net increase (decrease) in cash and short-term investments....	45,225	(983)
Cash and short-term investments at the beginning of year.....	21,824	18,524
Cash and short-term investments at the end of quarter.....	\$ 67,049	\$ 17,541

See Notes to Condensed Consolidated Financial Statements.

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TRIBUNE COMPANY AND SUBSIDIARIES  
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(UNAUDITED)

Note 1:

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In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments necessary to present fairly the financial position of Tribune Company and its subsidiaries (the "Company" or "Tribune") as of March 26, 1995 and the results of their operations and their cash flows for the quarters ended March 26, 1995 and March 27, 1994. All adjustments reflected in the accompanying unaudited condensed consolidated financial statements are of a normal recurring nature. Results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. Certain prior year amounts have been reclassified to conform with the 1995 presentation.

Note 2:

- - - - -

Primary net income per share has been computed by dividing net income attributable to common shares by the weighted average number of common shares outstanding during the periods. Fully diluted net income per share has been computed based on the assumption that all of the convertible preferred shares have been converted into common shares. The numbers of common shares used for computing primary and fully diluted net income per share were as follows (in thousands):

	First Quarter Ended	
	1995	1994
	-----	-----
Primary	65,981	67,085
Fully diluted	72,497	74,287

Note 3:

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In March 1995, Tribune sold 200,000 shares of America Online common stock. The sale resulted in an after-tax gain of \$9.1 million, or \$.14 per share. This sale reduced the Company's ownership interest in America Online from approximately 8% to 6%.

On April 14, 1994, Tribune reduced its ownership holdings in QUNO Corporation ("QUNO") by selling 5.5 million shares of QUNO common stock. With this sale Tribune reduced its ownership interest in QUNO from 59% to 34%. The sale of the shares resulted in an after-tax gain of approximately \$13 million, or \$.19 per share, which was recorded in the second quarter of 1994. The Company retains 7.5 million shares of QUNO's 22 million common shares outstanding and also holds a U.S. \$138.8 million (face value) subordinated debenture, convertible into 11.7 million voting common shares of QUNO.

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Note 4:

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On January 1, 1995, Tribune acquired Relocation Consultants, Inc. for approximately \$8 million in cash. Relocation Consultants publishes free apartment guides and provides apartment rental referral services to prospective renters. Tribune acquired The Wright Group on February 18, 1994, for approximately \$100 million in cash. The Wright Group is the leading publisher of supplemental educational materials for the elementary school market. On April 6, 1994, Tribune acquired Boston independent television station WLVI (Ch. 56) for approximately \$25 million in cash. On June 30, 1994, the Company acquired Farm Journal Inc., publisher of The Farm Journal, a leading farm magazine, for approximately \$17.5 million in cash. These acquisitions were accounted for as purchases, and accordingly, the results of operations of the companies have been

included in the consolidated financial statements since their respective dates of acquisition.

Note 5:

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Financial data for each of the Company's business segments is as follows (in thousands):

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	First Quarter Ended	
	March 26, 1995	March 27, 1994
	-----	-----
<S>	<C>	<C>
Operating revenues:		
Publishing.....	\$335,961	\$314,886
Broadcasting and Entertainment.....	176,432	146,948
New Media/Education.....	20,397	18,884
	-----	-----
Total operating revenues.....	\$532,790	\$480,718
	=====	=====
Operating profit:		
Publishing.....	\$ 70,805	\$ 69,237
Broadcasting and Entertainment.....	28,724	20,375
New Media/Education.....	(356)	1,330
Corporate expenses.....	(7,139)	(6,340)
	-----	-----
Total operating profit.....	\$ 92,034	\$ 84,602
	=====	=====

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Item 2. Management's Discussion and Analysis of Financial Condition and  
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Results of Operations.  
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The following discussion compares the results of operations of Tribune Company and its subsidiaries (the "Company") for the first quarter of 1995 to the first quarter of 1994.

SIGNIFICANT EVENTS AND TRENDS  
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The Major League Baseball players' contract expired on December 31, 1993. The Major League Baseball Players Association initiated a strike on August 12, 1994, and on August 28, 1994 the owners cancelled the remainder of the 1994 Major League Baseball season. In April 1995, the National Labor Relations Board invalidated the owners' posted rules, and the players ended their strike. The 1995 baseball season began April 26, 1995. Eighteen games were lost from the 1995 season. Negotiations for the new players' contract are continuing. The strike had no impact in the first quarter of 1995 as no games were scheduled to be played. The strike and the resulting shortened season will impact the Company's Chicago Cubs baseball operations, primarily in the second quarter. However, due to strong advertiser support, contingency plans and cost controls at the broadcasting group, the strike is expected to have little overall impact on 1995 broadcasting and entertainment group results. The Company cannot predict the ultimate outcome of the negotiations.

The North American newsprint industry has increased newsprint prices due to

higher demand for newsprint in the U.S. and overseas. Three price increases in 1994 and two in 1995 (March and May) will result in an approximate 40% increase in average newsprint transaction prices in 1995 over 1994. The first quarter of 1995 saw a year-over-year increase of 30%, and the second quarter increase will be approximately 50%. The price increases will increase newsprint expense at the Company's newspapers by approximately \$70 million in 1995. The Company expects to offset the increase, at least in part, through cost controls and expected revenue increases. QUNO Corporation, a Canadian newsprint manufacturer in which the Company has a 34% equity investment, will benefit from the price increases in 1995.

## RESULTS OF OPERATIONS

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The Company's results of operations, when examined on a quarterly basis, reflect the seasonality of advertising, which affects the results of both publishing and broadcasting and entertainment. Second and fourth quarter advertising revenues are typically higher than first and third quarter revenues. Results for the 1995 first quarter reflect this seasonal pattern.

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## CONSOLIDATED

The Company's consolidated operating results for the first quarters of 1995 and 1994 and the percentage change from 1994 were as follows:

(Dollars in millions, except per share amounts)	First Quarter		
	1995	1994	Change
	-----	-----	-----
Operating revenues	\$533	\$480	+11%
Operating profit	92	84	+ 9%
Equity in QUNO net loss	4	(9)	*
Gain on sale of AOL stock	15	-	*
Net income	68	40	+70%
Primary net income per share	.96	.53	+81%

\*Not meaningful

In March 1995, the Company sold 200,000 shares of America Online (AOL) common stock. With this sale, Tribune reduced its position in AOL to 6%. The sale resulted in an after-tax gain of approximately \$9.1 million, or \$.14 per share on a primary basis.

Net Income Per Share -- Primary net income per share for the 1995 first quarter rose 81% to \$.96 from \$.53 in 1994. Excluding the AOL gain, primary net income per share rose 55% to \$.82. This increase was due to improved operating results from the Company's newspapers and television and radio stations and equity earnings from its investment in QUNO.

Operating Profit and Revenues -- The Company's consolidated operating revenues, EBITDA (earnings before equity in QUNO net income/loss, gain on AOL stock sale, interest, taxes, depreciation and amortization) and operating profit by business segment for the first quarter were as follows:

(Dollars in millions)	First Quarter		
	1995	1994	Change
	-----	-----	-----



Operating revenues			
Publishing	\$336	\$315	+ 7%
Broadcasting & Entertainment	177	147	+ 20%
New Media/Education	20	18	+ 8%
	-----	-----	
Total operating revenues	\$533	\$480	+ 11%
EBITDA			
Publishing	\$ 89	\$ 86	+ 4%
Broadcasting & Entertainment	38	28	+ 33%
New Media/Education	2	3	- 27%
Corporate expenses	(7)	(6)	- 16%
	-----	-----	
Total EBITDA	\$122	\$111	+ 10%
Operating profit			
Publishing	\$ 71	\$ 69	+ 2%
Broadcasting & Entertainment	28	20	+ 41%
New Media/Education	-	1	-127%
Corporate expenses	(7)	(6)	- 13%
	-----	-----	
Total operating profit	\$ 92	\$ 84	+ 9%

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As shown above, consolidated operating revenues for the 1995 first quarter rose 11% to \$533 million from \$480 million due to continued strength in advertising and the inclusion in 1995 of recent acquisitions -- The Wright Group in February 1994, Boston television station WLVI in April 1994 and Farm Journal Inc. in June 1994. Excluding the acquisitions, revenues were up 6%.

Consolidated operating profit increased 9% in the 1995 first quarter and EBITDA increased 10%, primarily due to increased revenues. Publishing operating profit increased 2% due primarily to higher advertising revenues, which were mostly offset by a 30% increase in newsprint and ink expense. Broadcasting and entertainment operating profit improved 41% in the first quarter due primarily to increased television revenues and strong results in radio. Radio includes Farm Journal which was acquired June 30, 1994. New media/education incurred a first quarter 1995 loss of \$.3 million compared to an operating profit of \$1.3 million in 1994.

Operating Expenses -- Consolidated operating expenses increased 11% for the quarter as follows:

(Dollars in millions)	First Quarter		
	1995	1994	Change
	-----	-----	-----
Cost of sales	\$271	\$241	+13%
Selling, general & administrative	140	129	+ 8%
Depreciation & amortization of intangible assets	30	26	+15%
	-----	-----	
Total operating expenses	\$441	\$396	+11%

Cost of sales increased 13%, or \$30 million, in the 1995 first quarter due to higher newsprint and ink expense and the addition of The Wright Group, WLVI-TV Boston and Farm Journal. Excluding expenses of the three acquisitions, cost of sales increased 8% or \$19 million, in the first quarter. Newsprint and

ink expense increased \$13 million, or 30%. The increase in selling, general and administrative expenses in 1995 was primarily attributable to the new businesses acquired and increased sales costs. Excluding the three new businesses, SG&A expenses increased \$3 million, or 3%, as sales costs rose \$3 million. The increase in depreciation and amortization of intangible assets reflects the addition of the three acquisitions and capital expenditures made in 1994.

#### PUBLISHING

Operating Profit and Revenues -- The following table shows publishing operating revenues, EBITDA and operating profit split between daily newspapers and other publications/services/development. The latter category includes syndication of editorial products, advertising placement services, alternative publications, alternate delivery services, direct mail operations, online/electronic products and, for EBITDA and operating profit, the Company's equity losses from its investment in Picture Network International.

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(Dollars in millions)	First Quarter		
	1995	1994	Change
	-----	-----	-----
Operating revenues			
Daily newspapers	\$315	\$296	+ 6%
Other publications/services/development	21	19	+12%
	-----	-----	
Total operating revenues	\$336	\$315	+ 7%
EBITDA			
Daily newspapers	\$ 90	\$ 87	+ 4%
Other publications/services/development	(1)	(1)	+32%
	-----	-----	
Total EBITDA	\$ 89	\$ 86	+ 4%
Operating profit			
Daily newspapers	\$ 73	\$ 71	+ 2%
Other publications/services/development	(2)	(2)	+21%
	-----	-----	
Total operating profit	\$ 71	\$ 69	+ 2%

Publishing operating revenues for the quarter increased 7% to \$336 million from \$315 million in 1994 due mainly to an 8% increase in newspaper advertising revenues. Operating profit for the 1995 first quarter was \$71 million, up 2% from \$69 million in 1994 as the revenue increases were mostly offset by a 30% increase in newsprint and ink expense. Daily newspapers operating margins decreased to 23.1% from 24.2% in 1994.

Publishing group revenues by classification for the first quarter were as follows:

(Dollars in millions)	First Quarter		
	1995	1994	Change
	-----	-----	-----
Advertising			
Retail	\$110	\$105	+ 5%
General	34	35	- 4%
Classified	109	95	+15%
	-----	-----	
Total advertising	253	235	+ 8%
Circulation	62	63	- 1%

Other	21	17	+20%
	-----	-----	
Total revenues	\$336	\$315	+ 7%

Retail advertising revenues for the 1995 quarter increased mainly due to improvements reported in the furniture, electronic and department store categories in Chicago, and the electronics, health care and apparel store categories in Fort Lauderdale. General advertising revenues for the quarter decreased due principally to softening in the transportation, packaged goods and financial categories in Chicago. Classified advertising revenues for the quarter rose at all newspapers mainly due to increased help wanted, real estate and automotive advertising.

Advertising linage for 1995 increased in most categories due to the continued strong advertising climate. Preprint advertising linage decreased mainly due to lower retail part run preprints. The following summary presents advertising linage for the first quarter:

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(Inches in thousands)	First Quarter		
	1995	1994	Change
	-----	-----	-----
Full run			
Retail	1,073	1,078	-
General	186	179	+ 4%
Classified	1,753	1,731	+ 1%
	-----	-----	
Total full run	3,012	2,988	+ 1%
Part run	2,591	2,548	+ 2%
Preprint	2,251	2,299	- 2%
	-----	-----	
Total inches	7,854	7,835	-

Circulation revenues were down 1% in the 1995 first quarter due mainly to discount programs in Chicago and Orlando. Total average daily circulation increased 1% to 1,428,000 copies in the first quarter, while total average Sunday circulation was up slightly.

Other revenues are derived from advertising placement services; the syndication of columns, features, information and comics to newspapers; commercial printing operations; direct mail services; and other publishing-related activities. The increase in other revenues in the 1995 first quarter resulted partly from the addition of Relocation Consultants, Inc., acquired in January 1995, which publishes free apartment guides and provides apartment rental referral services to prospective renters.

Operating Expenses -- Publishing operating expenses increased 8%, or \$19 million, in the first quarter of 1995. The increase was mainly due to a \$13 million, or 30%, increase in newsprint and ink expense and a \$3 million, or 4%, increase in compensation expense. Newsprint prices increased 30% for the quarter and newsprint consumption increased 1%.

#### BROADCASTING AND ENTERTAINMENT

Operating Profit and Revenues -- The following table presents operating revenues, EBITDA and operating profit for television, radio, entertainment/Chicago Cubs and cable programming/development. Cable programming/development includes CLTV News (a regional news cable channel) and, for EBITDA and operating profit, the Company's equity losses from its investment

(Dollars in millions)	First Quarter		
	1995	1994	Change
	-----	-----	-----
Operating revenues			
Television	\$134	\$119	+ 13%
Radio	25	10	+140%
Entertainment/Chicago Cubs	16	17	- 8%
Cable Programming/Development	2	1	+ 89%
	-----	-----	
Total operating revenues	\$177	\$147	+ 20%
EBITDA			
Television	\$ 39	\$ 32	+ 20%
Radio	5	2	+221%
Entertainment/Chicago Cubs	(4)	(3)	- 36%
Cable Programming/Development	(2)	(3)	+ 19%
	-----	-----	
Total EBITDA	\$ 38	\$ 28	+ 33%
Operating profit			
Television	\$ 32	\$ 26	+ 22%
Radio	4	1	+280%
Entertainment/Chicago Cubs	(5)	(4)	- 32%
Cable Programming/Development	(3)	(3)	+ 17%
	-----	-----	
Total operating profit	\$ 28	\$ 20	+ 41%

First quarter 1995 operating revenues for broadcasting and entertainment increased 20% to \$177 million from \$147 million in 1994 due to increases of 13% in television and 140% in radio. The improved television revenues resulted from stronger advertising revenues, primarily at WGN-Chicago, KTLA-Los Angeles and WGNX-Atlanta, and the acquisition of WLVI-Boston. Excluding WLVI, television revenues were up 8%. Radio revenues include those of Farm Journal, acquired in June 1994. Farm Journal revenues are seasonal, with the first quarter being the strongest. Excluding Farm Journal, radio revenues increased 21% due to gains at WQCD-New York and Tribune Radio Networks. The 89% increase in cable programming/development revenues reflects the growth of CLTV News.

Broadcasting and entertainment operating profit for the first quarter of 1995 was up 41% to \$28 million from \$20 million in 1994 and EBITDA was up 33% to \$38 million. The increase was due to a 22% operating profit gain from television and strong results in radio, which includes the Farm Journal. Tribune Entertainment losses increased due to lower revenues from fewer shows in syndication and development costs for the new "Charles Perez" television talk show. These losses were partially offset by lower overhead costs and increased cable copyright revenues. Chicago Cubs results were relatively unchanged as no baseball games are played in the first quarter of the year.

Operating Expenses -- Operating expenses for the group increased 17%, or \$21 million, in the first quarter. The increase was principally due to the acquisitions in 1994 of WLVI-Boston and Farm Journal and the above mentioned development costs. Excluding WLVI-Boston and Farm Journal, operating expenses were up 4%, or \$5 million. This increase was due to a \$3 million, or 6%, increase in broadcast rights expense and a \$1 million, or 4%, increase in compensation costs.

## NEW MEDIA/EDUCATION

Operating Profit and Revenues -- The following table presents operating revenues, EBITDA and operating profit for the new media/education segment.

(Dollars in millions)	First Quarter		Change
	1995	1994	
	-----	-----	-----
Operating revenues	\$ 20	\$ 18	+ 8%
EBITDA	2	3	- 27%
Operating profit	-	1	-127%

New media/education operating revenues were up 8% to \$20 million in 1995 due to the acquisition of The Wright Group in February 1994. Excluding The Wright Group, new media/education revenues were down 20% for the quarter primarily due to lower original equipment manufacturers sales and distribution revenues at Compton's as it continues to change its focus after its restructuring in January. In education, traditional peaks occur in the summer months and the last quarter of the year, while the first quarter is generally the weakest.

As expected, first quarter operating losses for the new media/education group were \$.3 million in 1995, versus operating profit of \$1.3 million in 1994. Operating gains at Contemporary Books and The Wright Group were offset by losses at Compton's.

Operating Expenses -- New media/education's operating expenses were up 18%, or \$3 million, in the 1995 first quarter due to The Wright Group. Excluding The Wright Group, operating expenses were down in the quarter.

## EQUITY IN QUNO NET INCOME (LOSS)

The Company's share of QUNO's 1995 first quarter net income was \$4 million, or \$.06 per share on a primary basis. In the 1994 first quarter, the Company's share of QUNO's net loss was \$9 million, or \$.14 per share. The 1995 improvement was due to increased newsprint prices, higher sales volume and a large foreign currency exchange loss in 1994.

On April 14, 1994, the Company reduced its ownership holdings in QUNO by selling 5.5 million shares of QUNO common stock. With this sale, the Company reduced its ownership interest in QUNO from 59% to 34%. The Company also holds a U.S. \$138.8 million (face value) subordinated debenture, convertible into 11.7 million voting common shares of QUNO.

## OTHER

Interest expense decreased 27% to \$4 million in the 1995 first quarter due to lower debt levels. The Company's effective income tax rate, excluding QUNO's equity income or loss, declined in the 1995 first quarter to 40.5% from 41.0%.

## FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operations for the first quarter of 1995 was \$170 million compared to \$149 million in the first quarter of 1994. The increase was due primarily to higher net income and changes in working capital. Net cash used

for investments was \$11 million for the first quarter of 1995 compared to \$120 million for the corresponding 1994 period. The 1995 first quarter included the \$17 million of proceeds from the sale of 200,000 shares of America Online common stock, the acquisition of Relocation Consultants, Inc. in January for approximately \$8 million in cash and \$21 million in capital expenditures. The 1994 first quarter included the acquisition of The Wright Group in February 1994 for approximately \$100 million in cash and capital expenditures of \$18 million. Capital expenditures for fiscal year 1995 are expected to total approximately \$125 million, related to a variety of modernization and normal replacement projects as well as a press expansion project at Fort Lauderdale and the relocation and expansion of WPIX-New York's news and production studios.

Net cash used for financing activities in the 1995 first quarter was \$114 million compared to \$30 million in 1994. Net cash used for financing activities in 1995 included treasury stock repurchases of \$89 million, debt repayment of \$5 million and dividends of \$18 million. In the first quarter of 1995 the Company acquired approximately 1.6 million shares of its common stock, financed with available cash. At March 26, 1995, the Company had authorization to repurchase 3.3 million additional shares and expects to continue to repurchase shares in 1995, financed with available cash or commercial paper. The first quarter 1995 dividend increased 8% to \$.28 per share from \$.26 per share.

The Company expects to fund capital expenditures, dividends and other operating requirements for the remainder of 1995 primarily with net cash provided by operations.

The State of Florida Department of Environmental Protection ("DEP") has issued a preliminary draft report identifying the Company's subsidiary, Sentinel Communications Company, as a source of certain trichloroethene (TCE) groundwater contamination in downtown Orlando, Florida. Based upon separate environmental reviews performed by the Company's environmental consultants, management believes that many of the findings contained in the DEP's preliminary draft report are inaccurate and that the Sentinel is not the source of the extensive contamination. Although the Company cannot predict the ultimate resolution of this matter, based on information currently available, the Company does not believe that the resolution of this matter will have a material adverse effect on its consolidated financial position or results of operations.

PART II. OTHER INFORMATION

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

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- (a) The Company held its annual meeting of stockholders on May 2, 1995.
- (b) No answer required.
- (c) Proposal 1 involved the election of one director to serve until the 1996 Annual Meeting and four directors to serve until the 1998 Annual Meeting. Those directors and the voting results are as follows:

	Votes "For" -----	Votes "Not For" -----	Votes "Abstained" -----
Stanton R. Cook (1996)	64,781,427	1,487,419	--
John W. Madigan	65,259,714	1,009,132	--
Nancy Hicks Maynard	65,215,815	1,053,031	--
James J. O'Connor	65,315,494	953,352	--
Arnold R. Weber	65,266,997	1,001,849	--

Proposal 2 involved the adoption of the Tribune Company 1995 Nonemployee Director Stock Option Plan.

Votes "For" -----	Votes "Not For" -----	Votes "Abstained" -----
54,397,574	10,978,013	893,259

Proposal 3 involved the ratification of the selection of Price Waterhouse LLP to serve as the Company's independent certified public accountants for 1995.

Votes "For" -----	Votes "Not For" -----	Votes "Abstained" -----
65,690,453	297,692	280,701

(d) Not applicable.

Item 5. Other Information.  
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The computation of the ratios of earnings to fixed charges, filed herewith as Exhibit 12, is incorporated herein by reference.

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Item 6. Exhibits and Reports on Form 8-K.  
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(a) Exhibits.

11 - Statements of computation of primary and fully diluted net income per share.

12 - Computation of ratios of earnings to fixed charges.

(b) Reports on Form 8-K.

No reports on Form 8-K were filed in the first quarter of 1995.

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TRIBUNE COMPANY  
(Registrant)

Date: May 10, 1995

R. Mark Mallory  
Vice President and Controller  
(on behalf of the Registrant  
and as chief accounting officer)



<TABLE>  
<CAPTION>

Exhibit 11

TRIBUNE COMPANY

STATEMENTS OF COMPUTATION OF PRIMARY AND FULLY DILUTED  
NET INCOME PER SHARE

(In thousands, except per share amounts)

	First Quarter Ended	
	March 26, 1995	March 27, 1994
	-----	-----
PRIMARY		
<S>	<C>	<C>
Net income	\$67,963	\$40,069
Preferred dividends, net of tax	(4,621)	(4,644)
	-----	-----
Net income attributable to common shares	\$63,342	\$35,425
	-----	-----
Weighted average common shares outstanding	65,981	67,085
	-----	-----
Primary net income per share	\$ .96	\$ .53
	=====	=====
FULLY DILUTED		
<S>	<C>	<C>
Net income	\$67,963	\$40,069
Additional ESOP contribution required assuming all preferred shares were converted, net of tax	(2,770)	(2,980)
Assumed elimination of tax benefit on certain ESOP preferred dividends	(831)	(705)
	-----	-----
Adjusted net income	\$64,362	\$36,384
	-----	-----
Weighted average common shares outstanding	65,981	67,085
	-----	-----
Assumed conversion of preferred shares into common shares	5,903	6,011
Assumed exercise of stock options, net of common shares assumed repurchased with the proceeds	613	1,191
	-----	-----
Adjusted weighted average common shares outstanding	72,497	74,287
	-----	-----
Fully diluted net income per share	\$ .89	\$ .49
	=====	=====

</TABLE>

See Notes to Consolidated Financial Statements

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Exhibit 12

TRIBUNE COMPANY  
COMPUTATION OF RATIOS OF EARNINGS TO FIXED CHARGES  
(In thousands, except ratios)

	First Quarter	Fiscal Year Ended December				
	Ended 3/26/95	1994	1993	1992	1991	1990
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Net income (loss) before cumulative effects of accounting changes	\$67,963	\$242,047	\$188,606	\$136,625	\$141,981	(\$63,533)
Add:						
Income tax expense (benefit)	43,482	186,668	143,821	96,266	99,894	(30,695)
(Income) losses on equity investments	(865)	16,176	20,212	1,903	1,107	2,285
Sub-total	110,580	444,891	352,639	234,794	242,982	(91,943)
Fixed charge adjustments						
Add:						
Interest expense	4,263	20,585	24,660	49,254	63,083	53,576
Amortization of capitalized interest	553	2,362	2,392	5,304	5,258	4,850
Interest component of rental expense (A)	2,355	8,236	8,732	9,329	9,047	14,467
Earnings (loss), as adjusted	\$117,751	\$476,074	\$388,423	\$298,681	\$320,370	(\$19,050)
Fixed charges:						
Interest expense	\$ 4,263	\$ 20,585	\$ 24,660	\$ 49,254	\$ 63,083	\$ 53,576
Interest capitalized	75	-	1,099	3,445	1,976	8,652
Interest component of rental expense (A)	2,355	8,236	8,732	9,329	9,047	14,467
Interest related to guaranteed ESOP debt (B)	6,162	24,017	25,742	27,019	27,500	27,757
Total fixed charges	\$ 12,855	\$ 52,838	\$ 60,233	\$ 89,047	\$101,606	\$104,452
Ratio of Earnings to Fixed Charges	9.2	9.0	6.4	3.4	3.2	(C)

(A) Represents a portion of rental expense incurred by the Company, which is a reasonable approximation of the interest cost component of such expense.

(B) Tribune Company guarantees the debt of its Employee Stock Ownership Plan (ESOP).

(C) The net loss for 1990 reflects an after-tax non-recurring loss of \$185 million (\$295 million before income taxes) relating to the sale of the New York Daily News. Excluding this non-recurring item, the ratio for 1990 was 2.6. As a result of the loss incurred for the full-year 1990, the Company was unable to cover the indicated fixed charges. The Company's loss, as adjusted, plus the indicated fixed charges for 1990 totaled \$124 million.

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This schedule contains summary financial information extracted from the First Quarter 1995 consolidated statements of income and consolidated statements of financial position and is qualified in its entirety by reference to such financial statements.

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