

in the long term, Pierce told the analysts that C-P-M's aren't "near the apex" of television's revenues potential as an advertising medium, a thought that won't please advertisers over the long term.

A humorous note was injected toward the end when ABC's vice president for corporate relations, James L. Abernathy, read to the analysts from a letter ABC received that day from the Council on Wage and Price Stability (as did a number of other companies). The council's message said the recipient company could "determine for itself" if it qualifies for an exception from price standards under which the concern would be eligible to base increases on profit margins, not prices. ABC, Abernathy said, has determined that it does indeed qualify for the exception.

**Ratings supremacy leads the company to record revenues and profits; company sees growth despite recession**

ABC Inc.'s second quarter and first six months of 1979 were the most profitable in the company's history, Chairman Leonard H. Goldenson and President Elton H. Rule reported last week.

Net earnings for the quarter ended June 30 reached \$56,956,000, a gain of 36.3% over the 1978 second quarter's total of

**Bottom Line**

**Growth company.** Cox Broadcasting's second-quarter earnings rose 26% over last year's \$9,507,000 to \$11,961,000, or \$1.77 per share, on revenue increase of 19%. Second-quarter revenues totaled \$69,271,000 this year, \$58,052,000 last year. For first half, Cox posted earnings of \$19,358,000 on revenues of \$125,073,000, increases of 31% and 19% respectively. Cox Cable Communications showed 38% second-quarter revenue increase, company reported, while Cox's broadcast operations (which include recently acquired Schulke Radio Productions) had revenue gains of 16% in that period.

**Capcities' biggest.** Net income for Capital Cities Communications Inc., New York, was highest in history for second quarter of 1979. Profits rose by 14% to \$108,447,000 (\$1.33 per share), up from \$95,779,000 (\$1.13 per share) in 1978 period. Net income for first half climbed by 13% over 1978 to \$30,322,000 (\$2.20 per share).

**Marriage terms.** Stockholders of Filmways and American International Pictures, at separate board meetings, have approved merger in which AIP becomes subsidiary of Filmways (BROADCASTING, June 25). Stockholders of AIP who held about 65% of AIP shares elected to receive equity in Filmways for their AIP shares; remaining shareholders will receive debt. In connection with merger, Filmways will issue approximately 391,000 common shares, 1,043,000 shares of preferred stock and \$10,626,000 principal amount of 10% subordinated debentures.

**Litigation tab cuts profit.** Tribune Co., Chicago, second-quarter net income dropped 25% to \$14 million from record \$18.8 million in same period year ago—decline that company attributed to its payment of \$10 million to settle litigation in connection with renewal of its WPX(TV) New York. Privately owned company, which has newspaper, broadcasting and newsprint operations, said second quarter drop also caused first-half net slump of 3% to \$27 million. Revenue for second quarter was up 8% to \$282.7 million and for half was up 9% to \$533 million.



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