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TABELL'S MARKET LETTER

November 25, 1966

The market continued its short slide on Monday and Tuesday of this week and at Tuesday's low had reached the 790 downside objective mentioned in last week's market letter. A rally late Tuesday afternoon and Wednesday (which continued in the Friday post-holiday market) brought the Average to a high of 803.33 on Friday.

Based on the action of most short-term indicators, and the onset of tax-loss pressures in many issues, we are inclined to expect continued irregularity into December, and continue to advise the purchase of selected issues on weakness. One such issue is reviewed below.

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COLUMBIA BROADCASTING SYSTEM, INC.

Current Price	57
Current Dividend	\$1.40
Current Yield	2 5%
Long-Term Debt	\$94,600,000
Common Stock	20,312,778 shs
Sales-1966-E	\$785,000,000
Sales-1965	\$699,000,000
Earn. Per Sh 1966-E	\$3.00
Earn. Per Sh. 1965	\$2.40
Mkt. Range 1966-65	33 5/8-62

CBS means Channel 2 to millions of New Yorkers addicted to the fine art of TV analysis. To the almost 42,000 shareholders, CBS represents the hope of capital appreciation over the long-term. Recently added to the Quality Long-Term Growth section of our Recommended List, based on the favorable technical indications that combine to suggest an objective near \$80 a share, Columbia Broadcasting System also has an impressive array of fundamental factors to support our conclusions.

CBS operates the world's largest radio and television network with more than 245 affiliated radio stations and 200 TV stations. While these broadcasting activities are responsible for the lion's share of revenues and earnings, the outstanding management team co-captained by William S. Paley and Frank Stanton continues its aggressive acquisition program, significantly enhancing future earning power through a desired degree of diversification.

This diversification effort already has effected the following results in recent years: the ownership of the New York Yankees, a baseball team, the purchase of 11%, or almost 400,000 shares, of the outstanding common stock of Holt, Rinehart & Winston, a leading publisher of textbooks, entry into the steadily expanding musical instruments market, vast expansion of overseas operations in sound recordings and music publishing, and what could be an initial position in the real estate field. The recent acquisition of Creative Playthings, Inc., suppliers of materials for nursery schools and kindergartens, is another important step into the educational market.

The most promising of these ventures, based on prevailing long-term projections, would appear to be those dealing with education. When the Holt, Rinehart stock was purchased, the prevailing market price of the publisher's stock suggested a total purchase value of approximately \$19 million. In view of the impressive demands expected to be made on the nation's educational facilities in the coming decade, and the resultant requirements for textbooks and other materials, this investment could provide considerably more than the initial investment just in dividend returns over the next 10 to 15 years. It is anticipated that CBS will increase its investment in Holt as time passes.

Expressing their optimism over the current trend of earnings and the prospects believed in store for the future, CBS directors recently increased the quarterly dividend from 30¢ to 35¢ a share, effecting an annual payout of \$1.40. For the current year, earnings are expected to make one of the largest gains of recent years, rising from \$2.40 a share in 1965, to an estimated \$3.00 this year, on projected sales of approximately \$785 million. Although no firm estimate currently is available for next year, 1967 results should show a continuation of the uptrend. The coming year will continue to benefit from royalties being received on the film "My Fair Lady," rights for which have been sold to Warner Bros. Pictures. Under terms of this agreement, CBS is to receive royalties of 47 1/2% of the gross exceeding \$20 million from worldwide rentals, and the \$20 million mark was passed late in 1965.

Exhibiting excellent relative strength and with considerable downside support in the 50-55 range, Columbia Broadcasting System shares are recommended for purchase at prevailing market levels.

Dow-Jones Ind. - 803.34
Dow-Jones Rails - 203.44

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