

CAPITAL CITIES COMMUNICATIONS, INC.

**24 East 51st Street
New York, New York 10022**

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

May 10, 1984

TO OUR SHAREHOLDERS:

The Annual Meeting of Shareholders of Capital Cities Communications, Inc. (the "Company") will be held at 11:00 A.M. on Thursday, May 10, 1984, at the offices of station WTNH-TV, 8 Elm Street, New Haven, Connecticut, for the following purposes:

1. To elect a Board of Directors of ten members to serve until the next Annual Meeting of Shareholders or until their successors are chosen and qualified.
2. To consider and act upon such other business as may properly come before the meeting or any adjournment thereof.

Only shareholders of record at the close of business on March 21, 1984, will be entitled to vote at the meeting and any adjournment thereof.

Whether or not you plan to attend the meeting, we urge you to execute and mail the enclosed proxy, in order to assure representation of your shares. For this purpose, and for your convenience, a business reply envelope is enclosed. A shareholder who attends the meeting in person may, if he wishes, vote at that meeting, thereby cancelling any proxy vote previously given.

By order of the Board of Directors,

GERALD DICKLER
Secretary

March 30, 1984

All shareholders are requested to date and execute the accompanying proxy and to return it promptly in the enclosed, self-addressed envelope. No postage is required if mailed within the United States.

A

PROXY STATEMENT

This proxy statement is furnished in connection with the solicitation by the Board of Directors of CAPITAL CITIES COMMUNICATIONS, INC., 24 East 51st Street, New York, New York 10022 (the "Company") of proxies in the accompanying form for use at the Annual Meeting of Shareholders to be held at the offices of station WTNH-TV, 8 Elm Street, New Haven, Connecticut, at 11:00 A.M. on May 10, 1984, and at all adjournments thereof. Any shareholder may revoke his proxy at any time prior to the meeting by filing with the Company a written notice to that effect or a duly executed proxy bearing a later date and, in the event that he attends the meeting he may, if he so desires, vote in person.

The cost of soliciting Proxies will be borne by the Company, which will reimburse brokerage firms, custodians, nominees and fiduciaries for their expenses in forwarding proxy material to the beneficial owners of the Company's common stock. Officers and regular employees of the Company may solicit Proxies personally and by telephone. In addition, the Company has retained Georgeson & Co. Inc. to aid in the solicitation of Proxies at a fee of \$5,000 plus out-of-pocket expenses.

On all matters which may come before the meeting, each shareholder, or his or her proxy, will be entitled to one vote for each share of common stock, \$1 par value ("Common Stock") of which such shareholder was the holder of record on March 21, 1984. On such date, there were outstanding and entitled to vote 12,840,179 shares of Common Stock. Such number does not include 2,553,317 shares held by the Company as treasury shares.

The proxy statement and form of proxy will be mailed to shareholders on or about March 31, 1984.

ANNUAL REPORT

The annual report of the Company for the year ended December 31, 1983, including financial statements, is being mailed to shareholders together with this proxy statement. No part of such annual report shall be regarded as proxy-soliciting material or as a communication by means of which any solicitation is being or is to be made.

ELECTION OF DIRECTORS

It is proposed to elect 10 directors of the Company to hold office for one year and until their successors shall be elected and shall qualify. At the meeting, the persons named in the enclosed form of proxy intend to vote the shares covered by such proxy for the election of the nominees to the Board of Directors named below unless instructed to the contrary.

Nominee	Age	Director since	Common shares beneficially owned as of February 29, 1984	Principal Occupation and Business Experience
Daniel B. Burke.....	55	1967	44,760 (1)(2)	President and Chief Operating Officer of the Company since 1972. Member of the Executive Committee. Director of Avco Corporation, Consolidated Rail Corporation, Palm Beach Incorporated and St. Regis Corporation.
Gerald Dickler.....	71	1954	79,261 (2)	Secretary of the Company since 1954 and a member of the Executive and Compensation Committees. Actively engaged in the practice of law since 1959 as a partner of Hall, Dickler, Lawler, Kent & Friedman, general counsel for the Company.
Joseph P. Dougherty.....	59	1967	35,138 (1)(2)	Executive Vice President of the Company since 1966 and President of the Broadcasting Division since 1969.
John B. Fairchild.....	57	1968	34,777 (1)(2)	Executive Vice President of the Company and Chairman and Chief Executive Officer of the Specialized Publications Group since 1968.

<u>Nominee</u>	<u>Age</u>	<u>Director since</u>	<u>Common shares beneficially owned as of February 29, 1984</u>	<u>Principal Occupation and Business Experience</u>
William S. Lasdon	88	1957	75,400	Member of the Executive, Compensation and Audit Committees. Director of Warner-Lambert Company since 1956.
John H. Muller, Jr.	59	1971	800	Member of the Executive, Compensation and Audit Committees. Chairman, President and Chief Executive Officer of General Housewares Corp. since 1967. Director of Collins & Aikman Corporation and The Triangle Corp.
Thomas S. Murphy	58	1957	141,375(1)(2)	Chairman of the Board and Chief Executive Officer of the Company since 1966. Member of the Executive Committee. Director of General Housewares Corp., Johnson & Johnson and Texaco, Inc.
John B. Sias	57	1977	5,433(1)	Executive Vice President of the Company and President of the Publishing Division since 1974. Director of Enzo Biochem, Inc.
William I. Spencer	66	1980	—	Member of the Audit Committee. Retired President and Chief Administrative Officer of Citicorp and Citibank. Director of Amerada Hess Corporation; Bio-Response, Inc.; Keller Industries, Inc.; McLean Industries, Inc.; Trust Company of the West; U S West, Inc.; United Technologies Corp.; and Universal Trading Exchange, Inc.; and a Trustee of Corporate Property Investors.
M. Cabell Woodward, Jr.	55	1982	1,600(2)	Executive Vice President and Chief Financial Officer of ITT Corporation since 1979. Formerly Chairman, President and Chief Executive Officer of Continental Baking Company. Director of ITT Corporation and Melville Corp.

(1) Shares shown do not include the following shares subject to employee stock options exercisable within 60 days after February 29, 1984. Mr. Burke, 20,500 shares; Mr. Dougherty, 3,750 shares; Mr. Fairchild, 4,000 shares; Mr. Murphy, 22,125 shares; and Mr. Sias, 26,242 shares.

(2) Shares shown do not include the following shares owned by family members, as to which the persons disclaim any beneficial ownership: Mr. Burke, 620 shares; Mr. Dickler, 4,000 shares; Mr. Dougherty, 1,776 shares; Mr. Fairchild, 6,246 shares; Mr. Murphy, 6,626 shares; and Mr. Woodward, 500 shares.

Security Ownership of Certain Beneficial Owners and Management

Officers and directors, as a class, beneficially owned 5.0% of the outstanding Common Stock as of February 29, 1984. No officer or director owned 1% or more of the outstanding Common Stock, except that Mr. Murphy owned 1.2%. Total Common Stock outstanding for this computation is net of treasury shares and includes shares arising from presently outstanding options exercisable within 60 days after February 29, 1984.

The Company knows of no person, as that term is used in Section 13(d)(3) of the Securities Exchange Act of 1934, who is the beneficial owner of more than 5% of the outstanding Common Stock, except that the following had investment discretion, but not sole voting power with respect to the following shares shown as of December 31, 1983:

	Shares Beneficially Owned	Percent of Class
State Street Research & Management Company..... 225 Franklin Street Boston, MA 02110	803,600	6.1
Capital Research Management Company and Capital Guardian Trust Company, subsidiaries of the Capital Group, Inc..... 333 South Hope Street Los Angeles, CA 90071	837,100	6.4
Certain affiliates and subsidiaries of Marsh & McLennan Asset Management Company..... One Post Office Square Boston, MA 02109	944,777	7.2

Meetings and Committees

The Board of Directors had a total of four meetings during 1983. Mr. Fairchild attended fewer than 75% of the total number of Board meetings held in 1983. The Board of Directors has no *Nominating Committee*.

The *Executive Committee* consists of five directors, Messrs. Burke, Dickler, Lasdon, Muller and Murphy. The committee meets on call or acts by unanimous written consent and has authority to act on most matters during the intervals between Board meetings.

The *Audit Committee* consists of three nonemployee directors, Messrs. Lasdon, Muller and Spencer. The Committee reviews and evaluates the scope of the audit, internal controls, security procedures, policy as to business ethics and other matters deemed appropriate. There were two committee meetings during 1983.

The *Compensation Committee* consists of three nonemployee directors, Messrs. Dickler, Lasdon and Muller. The Committee administers the 1972 Employee Stock Option Plan, the Incentive Stock Option Plan, the Incentive Compensation Plan, the Supplemental Profit Sharing Plan and the Supplemental Compensation Plan. The Committee also makes recommendations to Company management regarding the compensation structure of the Company as applied to executive personnel and to the Board regarding compensation of the Chairman, President, four Executive Vice Presidents and the Senior Vice President. There were two committee meetings during 1983. The Committee also acts by unanimous written consent.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

The following tabulation sets forth the cash compensation paid to and deferred compensation for the benefit of the five most highly compensated executive officers of the Company, and of all executive officers as a group, for services in all capacities to the Company and its subsidiaries during the calendar year 1983.

Name of individual or number in group	Capacities in which served	Cash compensation	Deferred compensation (1)
Thomas S. Murphy.....	Chairman and Chief Executive Officer	\$ 480,000	\$ 69,424
Daniel B. Burke.....	President and Chief Operating Officer	455,000	66,171
John B. Sias.....	Executive Vice-President	410,000	59,421
John B. Fairchild.....	Executive Vice-President	380,000	—
Joseph P. Dougherty.....	Executive Vice-President	330,000	47,421
All executive officers as a group (35 persons including the above) (2)(3)....		7,002,647	843,447

(1) Includes amounts accrued under the Profit Sharing Plan, Democrat-Herald Plan and Supplemental Profit Sharing Plan but does not include amounts accrued under the Retirement Plan; such Plans are described under the caption "Retirement Benefits."

(2) Payments of \$774,886 (on an accrual basis) were made for the year 1983 to the law firm of Hall, Dickler, Lawler, Kent & Friedman of which Mr. Gerald Dickler, Secretary and a Director of the Company, is a member.

(3) Other than for benefits under Plans hereinafter described, the aggregate non-cash compensation for members of the group did not exceed \$25,000 times the number in the group (the disclosure threshold required by the rules and regulations of the Securities and Exchange Commission).

Standard Compensation of Directors

Directors who are not employees receive annual compensation of \$20,000 and a fee of \$1,000 for each Board and committee meeting attended.

Employment Contracts

Glenn C. Cushman, a Vice President, has a contract with the Company providing for his employment as chief operating officer of the Company's publications in Oregon and Washington through December 31, 1988. Mr. Cushman is to receive a basic annual salary, \$97,227 at July 1, 1983, subject to increase on the 1st of July of each later year by the lesser of 7 percent or the change in the Portland, Oregon consumer price index for all items. Additionally, he will be paid an annual bonus equal to the sum of 3% of the annual earnings (before income taxes, exclusive of capital gains and before deduction of the bonus) of (i) the Oregon newspapers and (ii) Little Nickel Want Ads in excess of \$250,000. The greater of 80% of this bonus or \$40,000 will be credited to a deferred compensation account to be paid on termination of employment after age 60 together with interest accrued annually at the prime rate in effect on January 1 of each year. There was a balance of \$567,937 in this account at December 31, 1983.

John B. Fairchild has a contract with the Fairchild Publications Division of Capital Cities Media, Inc., a subsidiary, providing for payments to Mr. Fairchild or his widow or children at the rate of \$45,000 per year through December 31, 1997, provided that during the period of payment he does not compete with the Company.

Supplementary Compensation

In 1978, the Company adopted a Supplemental Compensation Plan under which the Compensation Committee of the Board of Directors was empowered in its discretion to grant "units" to key employees of the Company and its subsidiaries. The value of each such unit is equal to the fair market value of one share of the Company's Common Stock as at the earlier of the date of the employee's termination of employment or the sixth anniversary of the date of grant of the unit to him. Each employee's units are credited with six percent interest each December 31 based on the fair market value of the Company's Common Stock at that date. An employee gains vested rights in his units on a graduated basis over the six-year period following the grant of the units to him. However, he only becomes entitled to the accumulated interest credits upon completion of the full six-year period of employment. An employee's vested benefits may be paid to him in a lump-sum or in installments in the year following his completion of the six-year vesting period or, if he so elects, payment of such amounts can be deferred until termination of his employment. The employee's vested benefits under the Supplemental Compensation Plan are credited with interest at 75% of prime rate. No additional grants of units may be made under this Plan.

At December 31, 1983 there were outstanding 113,100 units granted under the Supplemental Compensation Plan in the years 1978 through 1982, as to which Mr. Murphy was granted 7,500 units; Mr. Burke, 7,500 units; Mr. Sias, 6,000 units; Mr. Fairchild, 2,000 units; Mr. Dougherty, 4,000 units; and all executive officers as a group, 92,250 units. During 1983, no amounts were paid or distributed under this Plan to any of the executive officers of the Company.

In 1983, the Board of Directors adopted an Incentive Compensation Plan which replaces the Supplemental Compensation Plan. The two plans are similar in design; the major differences between them are that (a) each unit in the Incentive Compensation Plan bears a value equal to the excess of the market price of one share of the Company's Common Stock over a specified dollar floor, and (b) an employee's right to the benefits represented by his units vest over a five-year graduated schedule.

During 1983, 71,000 units were granted under the Incentive Compensation Plan with a dollar floor of \$100, none of which vested during 1983. Of these, Mr. Murphy was granted 10,000 units, Mr. Burke, 10,000 units, Mr. Sias, 10,000 units, Mr. Fairchild, 7,500 units; and executive officers as a group, 63,500 units.

Under supplementary compensation agreements entered into in 1977, Messrs. Murphy, Burke and Sias had vested benefits at December 31, 1983 in the amounts of \$1,513,129, \$1,260,942 and \$1,008,750, respectively. These amounts, together with additional interest from January 1, 1984 at 75% of prime rate, are payable after termination of employment.

Retirement Benefits

The Company (but not its subsidiaries) maintains an employee Profit Sharing Plan (the "Profit Sharing Plan") which covers all of its employees except those employed at The Fort Worth Star-Telegram, the Democrat-Herald Publishing Company Group, and Little Nickel Want Ads. The Company also maintains a separate profit sharing plan for the benefit of the employees of the Democrat-Herald Publishing Company Group (the "Democrat-Herald Plan").

Each year, the Board of Directors determines what portion of the Company's profits to contribute into both the Profit Sharing Plan and the Democrat-Herald Plan. The amount of the Company's annual contribution into each Plan is divided among the active participants in that Plan for that year in accordance with a formula which also takes into account amounts paid by the Company on behalf of the Plan's participants under Social Security. However, Internal Revenue Code Section 415 ("Section 415") imposes a limit on the amount of Company contributions which may be allocated for the benefit of any participant in either Plan for any year. The aggregate amount of Company contributions allocated over the years for the benefit of each Plan participant, together with Plan earnings on such amount, becomes vested and nonforfeitable based on the participant's period of service with the Company and its affiliates. In the Profit Sharing Plan, a participant has no vested rights until he has completed five years of service, at which point he becomes 50% vested in his share of Company contributions. Thereafter, the participant gains an additional 10% vested interest for each additional year of service so that, upon his completion of ten years of service, his rights to his aggregate share of Company contributions is completely vested and nonforfeitable. In the Democrat-Herald Plan, a participant gains a 10% vested right in his share of Company contributions for each year of service, and his rights are fully vested and nonforfeitable upon his completion of ten years of service. In both Plans, a participant also gains a fully-vested right to his share of Company contributions upon death, retirement for disability, or attainment of age 65. Benefits under both Plans are paid out to the participants in installments or in lump-sum distributions following their retirement or other termination of employment.

The Company also maintains an unfunded Supplemental Profit Sharing Plan under which individual participants will be paid those amounts which would have been allocated to them under the Profit Sharing Plan but for the limitations of Section 415. These amounts will also be credited with an earnings rate designed to approximate the rate these amounts would have earned had they been contributed into the Profit Sharing Plan. Participants' rights to additional benefits accrued through the Supplemental Profit Sharing Plan become nonforfeitable on the same basis as benefits vest under the Profit Sharing Plan. Such benefits will be paid in a lump-sum distribution upon a participant's retirement or other termination of employment.

Mr. John Fairchild and one other executive officer are covered by the Capital Cities Media, Inc. Retirement Plan (the "Retirement Plan"). The Retirement Plan covers employees of the Fairchild and Belleville divisions of Capital Cities Media, Inc. and The Oakland Press Company, another subsidiary of the Company. The Retirement Plan excludes certain employees, such as hourly paid employees at some divisions. Under the Retirement Plan, a participant receives, at retirement, a pension benefit equal to 1% percent of his compensation for each year of his benefit service during which he was a participant, less the

product of 1/4 percent of his Social Security benefit multiplied by his aggregate number of years of benefit service. For the purpose of this computation, a 1983 amendment to the Retirement Plan provides that a participant's average compensation for 1978-1982 will be used to calculate benefit credits for all years through 1982. Participants gain fully-vested rights in their retirement benefits under the Retirement Plan after they complete ten years of employment. As a result of the limitations of Section 415, the estimated annual benefits payable upon retirement at normal retirement age to each of Mr. Fairchild and the other executive officer covered by this Plan will be \$90,000.

Stock Options

In 1981, the Board of Directors adopted an Incentive Stock Option Plan (the "ISO Plan") which was approved by the shareholders of the Company in 1982. Under the ISO Plan, in the discretion of the Compensation Committee, options may be granted to key employees (including officers) of the Company and its subsidiaries for the purchase of shares of the Company's Common Stock. All of such options are to be incentive stock options under Section 422A of the Internal Revenue Code. The ISO Plan does not limit the number of options which may be granted to an employee or the number of shares which may be subject to any option, except that the aggregate fair market value of stock for which any employee may be granted options in any calendar year may not exceed \$100,000 plus one-half of any part of this limitation amount which remains unused from each of the three previous calendar years. If any option expires, terminates or is cancelled for any reason without having been exercised in full, the shares which were reserved for issuance upon its exercise shall again be available for the purpose of the ISO Plan.

Each option under the ISO Plan is to be granted pursuant to an agreement with the optionee. Required terms of the option agreements are: (a) the option price shall not be less than one hundred (100%) percent of the fair market value of the Common Stock at the time the option is granted; (b) an option may not be exercised more than 10 years from the date it is granted; (c) an option may not be transferred by an optionee otherwise than by will or by the laws of descent and distribution, and may be exercised, during his lifetime, only by the optionee; (d) each option shall be exercisable, commencing one year from the date it is granted, in cumulative annual portions at the rate of 25% of the total number of shares subject to such option; (e) an option may be exercised within three months after the date of an optionee's termination of employment (or within 12 months after that date, if the optionee's termination of employment was on account of his death or disability), but only to the extent the option is otherwise exercisable on that date; and (f) an option may not be exercised while there is outstanding any other incentive stock option previously granted to the optionee.

The ISO Plan is to remain in effect until December 1991, unless it is terminated earlier by the Board of Directors.

Since 1972, the Company also has maintained an Employee Stock Option Plan (the "1972 Plan") under which options were granted from time to time to key employees (including officers) of the Company and its subsidiaries for the purchase of shares of the Company's Common Stock. After the approval of the ISO Plan by the Company's shareholders in 1982, no additional options may be granted under the 1972 Plan.

As of February 29, 1984, executive officers of the Company as a group held outstanding options granted prior to January 1, 1983 under the ISO and 1972 Plans to acquire 190,455 shares at an average per share exercise price of \$36.39, of which Mr. Murphy had options to acquire 24,000 shares at \$39.30; Mr. Burke, 23,000 shares at \$39.99; Mr. Sias, 28,117 shares at \$27.23; Mr. Fairchild, 4,000 shares at \$23.44; and Mr. Dougherty, 5,000 shares at \$61.50. The following table shows as to certain executive officers and as to all executive officers as a group, stock options granted and/or exercised between January 1, 1983 and December 31, 1983.

	<u>T. S. Murphy</u>	<u>D. B. Burke</u>	<u>J. B. Sias</u>	<u>J. B. Fairchild</u>	<u>J. P. Dougherty</u>	<u>All executive officers as a group</u>
OPTIONS GRANTED						
Number of shares of Common Stock				1,400		26,000
Average per share exercise price				\$ 141		\$ 141
OPTIONS EXERCISED						
Net value (market value less exercise price)	\$5,603,437	\$3,894,469			\$2,156,450	\$14,938,187

RELATIONSHIP WITH INDEPENDENT PUBLIC ACCOUNTANTS

The Company has selected Arthur Young & Company as its independent public accountants for the current fiscal year. The firm has audited the Company's financial statements annually since 1968. Representatives of Arthur Young & Company are not expected to be present at the shareholders' meeting and therefore are not expected to be available to respond to appropriate questions from the shareholders.

OTHER BUSINESS

As of the date of this proxy statement, management knows of no other business that it intends to present or that others will present.

PROXIES REVOCABLE

All proxies delivered pursuant to this solicitation are revocable at the option of the persons executing the same at any time prior to exercise. If not revoked, the shares represented thereby will be voted at the meeting as directed by the shareholders. If no directions are given in such proxies they will be voted "for" propositions 1 and 2, as set forth in the notice and proxy and described herein.

1985 SHAREHOLDER PROPOSALS

Shareholders are entitled to submit proposals on matters appropriate for shareholder action consistent with regulations of the Securities and Exchange Commission. In order for shareholder proposals for the 1985 Annual Meeting of Shareholders to be eligible for inclusion in the Company's proxy statement, they must be received by the Secretary of the Company at its principal executive offices not later than December 1, 1984.

By Order of the Board of Directors.

THOMAS S. MURPHY
Chairman

March 30, 1984