

This report (including all exhibits)
consists of a total of 12 pages, of which this
page is number 1. The exhibit index is on page 10.

FORM 10-Q
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

Quarterly Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

For the Quarterly
Period Ended April 3, 1994 Commission File Number 1-6714

THE WASHINGTON POST COMPANY

(Exact name of registrant as specified in its charter)

Delaware

53-0182885

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

1150 15th Street, N.W.

Washington, D.C.

20071

(Address of principal executive offices)

(Zip Code)

(202) 334-6000

(Registrant's telephone number, including area code)

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 No

Shares outstanding at April 30, 1994:

Class A Common Stock	1,843,250 Shares
Class B Common Stock	9,869,154 Shares

THE WASHINGTON POST COMPANY

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

The Washington Post Company
Consolidated Statements of Income (Unaudited)

	Thirteen Weeks Ended	
	April 3, 1994	April 4, 1993
(In thousands, except per share amounts)		
Operating revenues		
Advertising	\$212,195	\$214,602
Circulation and subscriber	109,165	113,428
Other	37,094	33,676
	-----	-----
	358,454	361,706
	-----	-----
Operating costs and expenses		
Operating	199,553	195,083
Selling, general and administrative	88,957	97,783
Depreciation and amortization of property, plant and equipment	14,710	14,982
Amortization of goodwill and other intangibles	4,031	4,067
	-----	-----
	307,251	311,915
	-----	-----

Income from operations	51,203	49,791
Other income (expense)		
Equity in losses of affiliates	(5,385)	(1,795)
Interest income	3,565	2,606
Interest expense	(1,435)	(1,446)
Other	2,604	(51)
	-----	-----
Income before income taxes and cumulative effect of change in accounting principle	50,552	49,105
	-----	-----
Provision for income taxes		
Current	22,962	20,991
Deferred	(1,222)	(391)
	-----	-----
	21,740	20,600
	-----	-----
Income before cumulative effect of change in accounting principle	28,812	28,505
Cumulative effect of change in method of accounting for income taxes	--	11,600
	-----	-----
Net income	\$ 28,812	\$ 40,105
	=====	=====
Earnings per share:		
Before cumulative effect of change in accounting principle	\$2.46	\$2.42
Cumulative effect of change in accounting principle	--	.98
	-----	-----
Net income	\$ 2.46	\$ 3.40
	=====	=====
Dividends declared per share	\$ 2.10	\$ 2.10
	=====	=====
Average number of shares outstanding	11,720	11,796

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The Washington Post Company
Consolidated Balance Sheets (Unaudited)

(In thousands)	April 3, 1994	January 2, 1994
	-----	-----
Assets		
Current assets		
Cash and cash equivalents	\$ 377,891	\$ 171,512
Marketable securities	76,870	258,412
Accounts receivable, less estimated returns, doubtful accounts and allowances	126,004	140,518
Inventories	20,678	16,419
Program rights	14,564	15,460
Other current assets	17,451	23,253
	-----	-----
	633,458	625,574
Investments in affiliates	158,845	155,251
Property, plant and equipment		
Buildings	170,159	166,433
Machinery, equipment and fixtures	582,030	579,423
Leasehold improvements	29,452	29,287
	-----	-----
	781,641	775,143
Less accumulated depreciation and amortization	(482,015)	(469,359)
	-----	-----
	299,626	305,784
Land	28,841	28,799
Construction in progress	43,269	29,135
	-----	-----
	371,736	363,718
Goodwill and other intangibles, less accumulated amortization	304,898	309,157
Deferred charges and other assets	190,675	168,804
	-----	-----
	\$1,659,612	\$1,622,504
	=====	=====

Liabilities and Shareholders' equity

Current liabilities		
Accounts payable and accrued liabilities	\$ 147,639	\$ 163,553
Federal and state income taxes	36,912	15,726
Deferred subscription revenue	80,779	79,254
Dividends declared	12,299	--
	-----	-----
	277,629	258,533
Other liabilities	195,610	191,088
Long-term debt	50,350	51,768
Deferred income taxes	37,415	33,696
	-----	-----
	561,004	535,085
Shareholders' equity		
Capital stock	20,000	20,000
Capital in excess of par value	21,322	21,354
Retained earnings	1,574,759	1,570,546
Unrealized gain on available-for-sale securities (Note 3)	6,285	--
Cumulative foreign currency translation adjustment	3,645	2,908
Cost of class B common stock held in Treasury	(527,403)	(527,389)
	-----	-----
	1,098,608	1,087,419
	-----	-----
	\$1,659,612	\$1,622,504
	=====	=====

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The Washington Post Company
Consolidated Statements of Cash Flows (Unaudited)

(In thousands)	Thirteen Weeks Ended	
	April 3, 1994	April 4, 1993
	-----	-----
Cash flows from operating activities:		
Net income	\$ 28,812	\$ 40,105
Adjustments to reconcile net income to net cash provided by operating activities:		
Cumulative effect of change in accounting principle	--	(11,600)
Depreciation and amortization of property, plant and equipment	14,710	14,982
Amortization of goodwill and other intangibles	4,031	4,067
Amortization of program rights	4,661	4,795
Provision for doubtful accounts	15,276	14,319
Increase in interest and income taxes payable	17,437	11,047
Provision for deferred income taxes	(1,222)	(391)
Change in assets and liabilities:		
(Increase) in accounts receivable	(937)	(33,879)
(Increase) in inventories	(4,259)	(1,557)
(Decrease) in accounts payable and accrued liabilities	(11,905)	(8,634)
Other	5,202	6,281
	-----	-----
Net cash provided by operating activities	71,806	39,535
Cash flows from investing activities:		
Purchases of property, plant and equipment	(22,894)	(17,673)
Purchases of marketable securities	--	(103,965)
Proceeds from sales of marketable securities	182,587	124,200
Investments in certain businesses	(8,750)	--
Payments for program rights	(4,526)	(5,361)
Other	456	18
	-----	-----
Net cash provided (used) by investing activities	146,873	(2,781)
Cash flows from financing activities:		
Dividends paid	(12,300)	(12,404)
Common shares repurchased	--	(14,947)
	-----	-----
Net cash (used) by financing activities	(12,300)	(27,351)
	-----	-----
Net increase in cash and cash equivalents	206,379	9,403
Beginning cash and cash equivalents	171,512	86,840
	-----	-----
Ending cash and cash equivalents	\$ 377,891	\$ 96,243
	=====	=====

The Washington Post Company
Notes to Condensed Consolidated Financial Statements (Unaudited)

Note 1: Results of operations, when examined on a quarterly basis, reflect the seasonality of advertising that affects the newspaper, magazine and broadcasting operations. Advertising revenues in the second and fourth quarters are typically higher than first and third quarter revenues. All adjustments reflected in the interim financial statements are of a normal recurring nature.

Note 2: Summarized combined (unaudited) results of operations for the first quarters of 1994 and 1993 for the company's affiliates are as follows (in thousands):

	First Quarter	
	1994	1993
Operating revenues	\$167,142	\$162,301
Operating income	2,454	(4,129)
Net loss	(4,204)	(3,323)

Note 3: Effective January 3, 1994, the company adopted Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities" (SFAS No. 115). The adoption of SFAS No. 115 requires that certain investments in equity securities held by the company be classified as "available-for-sale" and measured at fair value. At April 3, 1994, the fair value of such equity securities was \$14,341,000, which exceeded cost by approximately \$11,026,000. The unrealized gain, net of deferred taxes of \$4,741,000, is included as a separate item in shareholders' equity.

Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition

This analysis should be read in conjunction with the consolidated financial statements and the notes thereto.

Revenues and expenses in the first and third quarters are customarily lower than those in the second and fourth quarters because of significant fluctuations in advertising volume. For that reason, the results of operations for each quarter are compared with those of the corresponding quarter in the preceding year.

RESULTS OF OPERATIONS

Net income for the first quarter of 1994 was \$28.8 million (\$2.46 per share), a decrease of 28 percent from net income of \$40.1 million (\$3.40 per share) last year. First quarter 1993 earnings included a one-time credit of \$11.6 million (\$.98 per share) resulting from the adoption of Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes." Excluding this credit, net income in the first quarter of 1993 was \$28.5 million (\$2.42 per share).

Revenues for the first three months of 1994 were \$358.5 million, a decrease of 1 percent from \$361.7 million in the same period last year.

Advertising revenues declined 1 percent and circulation revenues fell 4 percent, while other revenues increased 10 percent.

Costs and expenses for the first quarter of 1994 decreased 1.5 percent to \$307.3 million, from \$311.9 million in the first quarter of 1993. Operating expenses increased 2 percent, while selling, general and administrative expenses decreased 9 percent compared with the first three months of 1993. Normal increases in fixed costs, such as payroll and fringe benefits, were more than offset by newsprint and magazine paper expenses and other circulation related expenses, which declined due to lower consumption. In the first quarter of 1994 operating income rose to \$51.2 million, a 3 percent increase over \$49.8 million in 1993.

Newspaper Division. At the newspaper division revenues decreased 2 percent in the first three months of 1994. Advertising revenues for the division fell 2 percent, primarily due to a 3.5 percent decline in advertising volume at The Washington Post. Retail linage at The Post decreased 8.5 percent and classified volume was down 1 percent. A soft market continues to affect the real estate category, while recruitment advertising remains strong. General linage increased 4 percent and preprint volume was even with the same period last year. Circulation revenues were flat when compared with the first quarter of 1993. Daily circulation at The Post declined slightly in the quarter as a result of

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adverse weather conditions in January and February in the Washington, D.C., area; Sunday circulation was even with the same period last year.

Broadcast Division. Revenues at the broadcast division increased 13 percent over the first quarter of 1993. Local advertising revenues increased 15 percent and national advertising revenues rose 12 percent in the first quarter of 1994. The major factor contributing to this improvement was an increase in automotive advertising.

Magazine Division. Newsweek revenues in the first quarter of 1994 decreased 8 percent, principally due to a 12 percent decline in advertising revenues. Fewer pages and lower rates at the domestic edition were the major contributors to the decrease. Circulation revenues fell 3 percent at Newsweek, primarily due to lower volume at both the domestic and international divisions. In the first quarter of 1994 Newsweek published the same number of weekly (13) and special (1) issues as in 1993.

Cable Division. At the cable division first quarter 1994 revenues were 3 percent lower than 1993, including operations in the United Kingdom, which were subsequently sold during 1993. Excluding foreign operations, cable division revenues were even with the first three months of 1993. A 2 percent increase in basic subscribers was offset by a decrease in subscriber rates attributable to the rate freeze and reductions enacted in the 1992 Cable Act.

Other Businesses. In the first quarter of 1994, revenues from other businesses, principally Stanley H. Kaplan Educational Center, Pro Am Sports System (PASS), and Legi-Slate, increased 10 percent. Revenues at Kaplan increased 7 percent over the first three months of 1993, and enrollments increased 8 percent.

Equity in Earnings and Losses of Affiliates. The company's equity in earnings of affiliates in the first quarter of 1994 was a loss of \$5.4 million, compared with a loss of \$1.8 million in the first quarter of 1993. Lower results at the company's affiliated newsprint mills, which included a large gain on the sale of land in the first three months of 1993, were the major reason for the decrease.

Non-operating Items. Interest income, net of interest expense, was \$2.1 million, compared with \$1.2 million in the same period last year. The increase was attributable to higher invested cash balances.

Other income in the first quarter of 1994 was \$2.6 million, compared with other expense of \$.1 million in the first quarter of 1993. In 1994 other income included a gain of \$2.5 million resulting from a change in the company's

ownership interest in one of its affiliates.

FINANCIAL CONDITION

In January 1994 American PCS, L.P. (known as American Personal Communications or APC), a limited partnership in which the company has a 70 percent interest, filed an application for a PCS authorization with the Federal Communications Commission (FCC). APC has begun some operations, and immediately following receipt of authorization from the FCC, the company expects to substantially increase the level of its capital investment in the business.

In February 1994 the FCC issued new rules related to pricing and the reregulation of the cable industry. The company has evaluated the rules and does not expect them to have a material effect on consolidated financial results.

In April 1994 the company purchased the assets of two television stations in Houston and San Antonio, Texas, for \$253 million in cash and the assumption of approximately \$4 million in liabilities related to the operations of the two stations.

The company has experienced no other significant changes in its financial condition since the end of 1993.

PART II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.

(a) The following documents are filed as exhibits to this report:

EXHIBIT NUMBER	DESCRIPTION	FILING PAGE NUMBER
11	Calculation of average number of shares outstanding.....	12

(b) No reports on Form 8-K were filed during the period covered by this report.

SIGNATURES

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.

THE WASHINGTON POST COMPANY
(Registrant)

Date: May 18, 1994

/s/ Donald E. Graham

Donald E. Graham, Chairman &
Chief Executive Officer
(Principal Executive Officer)

Date: May 18, 1994

/s/ John B. Morse, Jr.

John B. Morse, Jr., Vice President-Finance
(Principal Financial Officer)

CALCULATION OF AVERAGE
NUMBER OF SHARES OUTSTANDING
(In thousands of shares)

	Thirteen Weeks Ended	
	April 3, 1994	April 4, 1993
	-----	-----
Number of shares of Class A and Class B stock outstanding at beginning of period	11,713	11,798
Issuance of shares of Class B common stock (weighted), net of forfeiture of re- stricted stock awards	---	14
Repurchase of Class B common stock (weighted)	---	(21)
Unexercised stock option equivalent shares com- puted under the "treasury stock method"	7	5
	-----	-----
Average number of shares outstanding during the period	11,720 =====	11,796 =====