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 March 29, 1998 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 X . No .

Shares outstanding at May 1, 1998:

Class A Common Stock	1,739,250	Shares
Class B Common Stock	8,350,259	Shares

THE WASHINGTON POST COMPANY

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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

The Washington Post Company
Condensed Consolidated Statements of Income (Unaudited)

(In thousands, except per share amounts)	Thirteen Weeks Ended March 29, 1998	Thirteen Weeks Ended March 30, 1997
Operating revenues		
Advertising	$292,685	$278,528
Circulation and subscriber	130,341	123,674
Other	60,929	51,899
	483,955	454,101
Operating costs and expenses		
Operating	267,587	243,504
Selling, general and administrative	109,930	106,886
Depreciation and amortization of property, plant and equipment	20,378	17,790
Amortization of goodwill and other intangibles	10,743	7,953
	408,638	376,133
Income from operations	75,317	77,968
Other income (expense)		
Equity in earnings of affiliates	988	125
Interest income	207	1,112
Interest expense	(2,244)	(165)
Other, net (Note 2)	258,106	(846)
Income before income taxes	332,374	78,194
Provision for income taxes		
Current	125,252	30,253
Deferred	(752)	247
	124,500	30,500
Net income	207,874	47,694
Redeemable preferred stock dividends	(478)	(478)
Net income available for common shares	$207,396	$ 47,216
Basic earnings per common share	$ 20.57	$ 4.35
Diluted earnings per common share	$ 20.47	$ 4.35
Dividends declared per common share	$ 2.50	$ 2.40
Basic average number of common shares outstanding	10,084	10,844
Diluted average number of common shares outstanding	10,131	10,866

The Washington Post Company
Condensed Consolidated Balance Sheets

(In thousands)	March 29, 1998 (Unaudited)	December 28, 1997
Assets		
Current assets		
Cash and cash equivalents	$ 39,232	$ 21,117
Accounts receivable, less estimated returns, doubtful accounts and allowances	234,416	244,203
Inventories	23,569	19,213
Other current assets	18,245	23,959
	315,462	308,492
Investments in affiliates	63,734	154,791
Property, plant and equipment		
Buildings	188,856	188,836
Machinery, equipment and fixtures	805,608	800,435
Leasehold improvements	40,815	39,017
	1,035,279	1,028,288
Less accumulated depreciation and amortization	(598,328)	(577,445)
	436,951	450,843
Land	33,953	33,953
Construction in progress	186,923	168,954
	657,827	653,750
Goodwill and other intangibles, less accumulated amortization	712,547	679,714
Deferred charges and other assets	319,465	280,570
	$ 2,069,035	$ 2,077,317
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 207,324	$ 213,824
Federal and state income taxes	126,779	18,352
Deferred subscription revenue	84,481	80,186
Short-term borrowings	--	296,394
	418,584	608,756
Other liabilities	246,248	241,234
Deferred income taxes	31,005	31,306
	695,837	881,296
Redeemable preferred stock	11,947	11,947
Preferred stock	--	--
Common shareholders' equity		
Common stock	20,000	20,000
Capital in excess of par value	34,142	33,415
Retained earnings	2,413,033	2,231,341
Accumulated other comprehensive income (losses)		
Cumulative foreign currency translation adjustment	(759)	(464)
Unrealized gain on available-for-sale securities	268	31
Cost of Class B common stock held in treasury	(1,105,433)	(1,100,249)
	1,361,251	1,184,074

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$ 2,069,035	$ 2,077,317
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The Washington Post Company
Condensed Consolidated Statements of Cash Flows (Unaudited)

(In thousands)	Thirteen Weeks Ended March 29, 1998	Thirteen Weeks Ended March 30, 1997
Cash flows from operating activities:		
Net income	$ 207,874	$ 47,694
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization of property, plant and equipment	20,378	17,790
Amortization of goodwill and other intangibles	10,743	7,953
Gain on disposition of business	(258,436)	--
Equity in earnings of affiliates, net of distributions	(326)	498
Provision for deferred income taxes	(752)	247
Change in assets and liabilities:		
Decrease in accounts receivable, net	9,787	23,574
Increase in inventories	(4,356)	(6,214)
Decrease in accounts payable and accrued liabilities	(19,672)	(13,405)
Increase in income taxes payable	108,427	26,923
(Increase) decrease in other assets and other liabilities, net	(7,616)	4,719
Other	6,089	4,925
Net cash provided by operating activities	72,140	114,704
Cash flows from investing activities:		
Proceeds from sale of business	330,473	--
Purchases of property, plant and equipment	(26,104)	(35,206)
Investments in certain businesses	(43,580)	(23,098)
Other	28	391
Net cash provided by (used in) investing activities	260,817	(57,913)
Cash flows from financing activities:		
Principal payments on debt	(296,394)	--
Dividends paid	(12,855)	(13,226)
Common shares repurchased	(5,593)	(41,039)
Net cash used in financing activities	(314,842)	(54,265)
Net increase in cash and cash equivalents	18,115	2,526
Beginning cash and cash equivalents	21,117	102,278
Ending cash and cash equivalents	$ 39,232	$104,804

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: On March 20, 1998, Cowles Media Company ("Cowles") and McClatchy Newspapers, Inc. ("McClatchy") completed a series of transactions resulting in the merger of Cowles and McClatchy. In the merger, each share of Cowles common stock was converted (based upon elections of Cowles stockholders) into shares of McClatchy stock or a combination of cash and McClatchy stock.

As of the date of the Cowles and McClatchy merger transaction, a wholly-owned subsidiary of the company owned 3,893,796 (equal to about 28%) of the outstanding common stock of Cowles, most of which was acquired in 1985. As a result of this transaction, the company's subsidiary received $330.5 million in cash from McClatchy and 730,525 shares of McClatchy Class A common stock. The market value of the McClatchy stock received approximated $21.6 million and is reflected in "Deferred Charges and other assets" in the Condensed Consolidated Balance Sheet.

The gain resulting from this transaction, which is included in "Other, net" in the Condensed Consolidated Statements of Income, increased net income by approximately $162.8 million and basic and diluted earnings per share by $16.14 and $16.07, respectively.

Note 3: In the first quarter of 1998, the company acquired various businesses for approximately $43.6 million. These acquisitions included, among others, a cable system in Grenada, Mississippi serving approximately 7,400 subscribers, an educational services company that provides English language study programs, and the publishing rights to the "New Homes Guide", a free-circulation publication serving the Washington, DC metropolitan area.

In the first quarter of 1997, the company purchased a cable system in Cleveland, Mississippi serving about 16,000 subscribers for approximately $23.0 million.

In the first quarter of 1998, the company reached definitive agreements to acquire the assets of cable systems in Anniston, Alabama serving 35,000 subscribers and the assets of cable systems in Mississippi, Texas and Oklahoma serving approximately 71,500 subscribers. The company also reached an agreement to sell the assets of 14 small systems in Texas, Oklahoma, Missouri and Kansas serving approximately 28,000 subscribers. The company expects these transactions will be completed before the end of the third quarter of 1998 at a net cost of approximately $153.0 million.

The company has also reached an agreement with TCA Cable Partners to exchange the assets of selected cable systems in Texas for the assets of selected TCA Cable Partners cable systems in Oklahoma. The exchange will result in an increase of approximately 2,500 subscribers to the company. This transaction is expected to be completed during the second quarter of 1998.

Note 4: During the first three months of 1998 the company repurchased 11,700 shares of its Class B common stock at a cost of approximately $5.6 million.

Note 5: During the first quarter of 1998, the company had average short-term borrowings of approximately $272 million outstanding at an average interest rate of approximately 5.6 percent. In March 1998, upon receipt of the cash proceeds from the Cowles transaction, the company repaid all of its short-term borrowings then outstanding. During the first quarter of 1998, the company incurred interest cost on short-term borrowings of $3.9 million of which $2.0 million was capitalized. Interest costs for construction and upgrade of qualifying assets are capitalized.

In March 1998, the company replaced its existing $300.0 million credit facility with a five-year, $500.0 million revolving credit facility to support the issuance of commercial paper. Borrowings under the facility can be used for general corporate purposes. Under the terms of the credit agreement, interest on borrowings is at floating rates, and the company is required to pay a facility fee of 0.055 percent and 0.15 percent on unused and used portions of the facility, respectively. The credit agreement also contains certain covenants, including a financial covenant that requires the company to maintain consolidated shareholders' equity of $850 million. At March 29, 1998, there were no borrowings outstanding under the facility and the company was in compliance with all covenants.

Note 6: In June 1997, the Financial Accounting Standards Board issued SFAS No. 130, "Reporting Comprehensive Income." Comprehensive income is the change in equity of a business enterprise during a period from transactions and other events and circumstances from nonowner sources. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. For the thirteen weeks ended March 29, 1998 and March 30, 1997, comprehensive income totaled $207.8 million and $44.1 million, respectively. Comprehensive income includes net income, foreign currency translation adjustments and the change in unrealized gain on available-for-sale securities.

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 seasonal 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 1998 was $207.9 million ($20.47 per share - diluted basis), an increase of $160.2 million from net income of $47.7 million ($4.35 per share - diluted basis) in the first quarter of last year.

The company's net income included $162.8 million ($16.07 per share - diluted basis) from the disposition of its 28 percent interest in Cowles Media Company. The disposition resulted from the merger of Cowles and McClatchy Newspapers, Inc., which was completed in March of 1998. Excluding the effect of the disposition, net income decreased $2.6 million, or 5 percent, in the first quarter of 1998; diluted earnings per share increased 1 percent to $4.40, from $4.35 in the first quarter of 1997, with fewer average shares outstanding.

Revenues for the first three months of 1998 were $484.0 million, up 7 percent from $454.1 million in 1997. Advertising revenues and circulation and subscriber revenues both increased 5 percent over the prior year. Other operating revenues were up 17 percent. The newspaper and broadcast divisions as well as the recently acquired trade periodicals included in the magazine division accounted for substantially all of the increase in advertising revenues. The increase in circulation and subscriber revenues is due to growth at the cable division and the increase in other revenues is primarily attributable to higher tuition and other revenues at Kaplan Educational Centers.

Costs and expenses for the first quarter of 1998 increased 9 percent to $408.6 million, from $376.1 million in the first quarter of 1997. The increase in costs and expenses is attributable to increases in newsprint expense, new media spending, and depreciation as well as expenses arising from companies acquired in 1997 and 1998 and the expansion of the printing facilities of The Washington Post. These expense increases were partially offset by an increase in the company's pension credit.

In the first quarter of 1998, operating income was $75.3 million compared to $78.0 million in 1997.

NEWSPAPER DIVISION. At the newspaper division, revenues for the first quarter of 1998 increased 5 percent over the comparable period last year. Advertising revenues for the division rose 6 percent. Advertising volume at The Post totaled 763,400 inches, substantially unchanged from 763,200 inches in the first quarter of 1997. Preprint advertising volume at The Post increased 13 percent to 363.4 million pieces, compared to 322.9 million pieces in 1997. Circulation revenues were essentially unchanged from the first quarter of 1997. The Post's Sunday circulation declined 1 percent while daily circulation was flat compared to the same period in 1997. Newsprint expense at the Post increased 10 percent in the first quarter of 1998 compared to the first quarter of last year.

BROADCAST DIVISION. Broadcast division revenues increased 8 percent in the first quarter of 1998. The increase in revenues is attributable to a 10 percent and 11 percent increase in national and local advertising, respectively, offset partially by a decline in network compensation.

MAGAZINE DIVISION. Revenues at the magazine division increased 10 percent over the first quarter of 1997 due primarily to the trade periodicals acquired in the fourth quarter of 1997.

CABLE DIVISION. At the cable division, first quarter revenues were 11 percent higher than in the comparable period in 1997. Higher subscriber levels, resulting mainly from recent acquisitions, as well as slightly higher rates, accounted for the increase. At the end of the quarter, there were approximately 646,700 basic subscribers.

OTHER BUSINESSES. Revenues from other businesses, principally Kaplan Educational Centers, Legi-Slate, Digital Ink, MLJ (Moffet, Larson & Johnson) and PASS Sports (for 1997 only) were substantially the same as the first quarter of last year. Excluding PASS Sports, which was sold in the third quarter of 1997, revenues from other businesses increased 17 percent. Growth at Kaplan Education Centers produced most of the increase.

EQUITY IN EARNINGS OF AFFILIATES. The company's equity in earnings of affiliates in the first quarter of 1998 was $1.0 million compared with $0.1 million in 1997. The increase was due primarily to improved results at the company's affiliated newsprint mill, which has benefited from rising newsprint prices.

NON-OPERATING ITEMS. Interest expense, net of interest income, was $2.0 million, compared with net interest income of $0.9 million in the first quarter of 1997 due to borrowings outstanding for the majority of the first quarter of 1998. There were no borrowings outstanding during the first quarter of 1997. Included in 1998 other, net is a $258.4 million pre-tax gain resulting from the disposition of the company's 28 percent interest in Cowles Media Company.

INCOME TAXES. The effective tax rate in 1998 was approximately 37.5 percent as compared to 39.0 percent in 1997. The lower state tax rate applicable to the Cowles transaction resulted in the overall decline in the effective tax rate.

FINANCIAL CONDITION: CAPITAL RESOURCES AND LIQUIDITY

In the first quarter of 1998, the company acquired various businesses for approximately $43.6 million. These acquisitions included, among others, a cable system in Grenada, Mississippi serving approximately 7,400 subscribers, an educational services company that provides English language study programs, and the publishing rights to the "New Homes Guide", a free-circulation publication serving the Washington, DC metropolitan area.

In the first quarter of 1998, the company reached agreements to acquire the assets of cable systems in Anniston, Alabama serving 35,000 subscribers and the assets of cable systems in Mississippi, Texas and Oklahoma serving approximately 71,500 subscribers. The company also reached an agreement to sell the assets of 14 small systems in Texas, Oklahoma, Missouri and Kansas serving approximately 28,000 subscribers. The company expects these transactions will be completed before the end of the third quarter of 1998 at a net cost of approximately $153.0 million.

The company has also reached an agreement to exchange the assets of selected cable systems in Texas for the assets of cable systems located in Oklahoma. The exchange is expected to be completed during the second quarter of 1998 and result in a 2,500 increase in subscribers.

In March 1998, the company received approximately $330.5 million in cash and 730,525 shares of McClatchy Class A common stock as a result of the Cowles and McClatchy merger transaction, as previously described. The market value of the McClatchy stock received approximated $21.6 million, based upon publicly quoted market prices.

During the first three months of 1998, the company repurchased 11,700 shares of its Class B common stock at a cost of approximately $5.6 million. Approximately 804,000 Class B common shares remain available for repurchase under a November 13, 1997 authorization by the Board of Directors.

During the first quarter of 1998, the company had average short-term borrowings outstanding of approximately $272.0 million at an average interest rate of 5.6 percent. In March 1998, upon receipt of the cash proceeds from the Cowles transaction, the company repaid all of its short-term borrowings then outstanding totaling approximately $290.0 million.

In March 1998, the company established a 5-year, $500.0 million revolving credit facility to support the issuance of commercial paper by the company. Borrowings under the facility can be used for general corporate purposes. At March 29, 1998, there were no amounts drawn under the facility. This credit facility replaces a previously existing $300.0 million credit facility.

The company has experienced no other significant changes in its financial condition since the end of 1997.

The company is continuing its assessment, planning, remediation and testing efforts surrounding the year 2000 readiness of its computer systems and software. Included in these efforts, is the process of seeking confirmation from key vendors stating that materials and services provided to the company will not be interrupted by year 2000 processing issues. The company plans to implement the system and programming changes necessary to address year 2000 issues, and does not believe based upon present facts that the cost of such actions will have a material effect on the company's results of operations or financial condition.

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
10	The Washington Post Company Stock Option Plan as amended and restated effective March 12, 1998 (supersedes Exhibit 10.3 to the Company's Annual Report on Form 10-K for the fiscal year ended December 28, 1997).
11	Calculation of Earnings per Share of Common Stock.
27.1	Financial Data Schedule - March 29, 1998
27.2	Financial Data Schedule - September 28, 1997
27.3	Financial Data Schedule - June 29, 1997
27.4	Financial Data Schedule - March 30, 1997
27.5	Financial Data Schedule - December 29, 1996
27.6	Financial Data Schedule - September 29, 1996
27.7	Financial Data Schedule - June 30, 1996
27.8	Financial Data Schedule - March 31, 1996
27.9	Financial Data Schedule - December 31, 1995

(Electronic filing only).

(b) On April 2, 1998, the company filed a Report on Form 8-K related to the disposition of its 28 percent interest in Cowles Media Company.

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 12, 1998

/s/ Donald E. Graham

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

Date: May 12, 1998

/s/ John B. Morse, Jr.

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

EXHIBIT 10

THE WASHINGTON POST COMPANY

STOCK OPTION PLAN

(As Amended and Restated effective March 12, 1998)

1. Purpose of the Plan

The purpose of this Stock Option Plan (hereinafter called the Plan) of The Washington Post Company, a Delaware corporation (hereinafter called the Company), is to secure for the Company and its stockholders the benefits of incentive inherent in the ownership of Class B Common Stock of the Company by employees of the Company and its subsidiaries who will be responsible for its future growth and continued success. It is generally recognized that stock option plans aid in retaining and encouraging key employees of ability and in attracting other able employees.

2. Stock Subject to the Plan

There are hereby authorized and reserved for issuance upon the exercise of options to be granted from time to time under the Plan an aggregate of 1,900,000 shares* of the Company's Class B Common Stock, which shares may be in whole or in part, as the Board of Directors shall from time to time determine, issued shares which shall have been reacquired by the Company or authorized but unissued shares, whether now or hereafter authorized. If any option granted under the Plan shall expire, terminate or be canceled for any reason without having been exercised in full, the corresponding number of unpurchased shares which were reserved for issuance upon exercise thereof shall again be available for the purposes of the Plan. To the extent that options provide that the exercise of one shall reduce the number of shares purchasable under the other, then, for purposes of the Plan, the Company shall be deemed to have awarded options only for the aggregate number of shares which in fact may be purchased under

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* Adjusted to give effect to stock splits in 1971, 1976 and 1978.

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such options (and not for the number of shares covered by both such options).

3. Administration of the Plan

The Plan shall be administered by the Committee referred to in paragraph 4 (hereinafter called the Committee). Subject to the express provisions of the Plan, the Committee shall have plenary authority, in its discretion, to determine the individuals to whom, and the time or times at which, options shall be granted and the number of shares to be subject to each option; provided, however, that the aggregate fair market value of the shares (determined as of the time the option is granted) for which incentive stock options (as defined in Section 422 of the Internal Revenue Code of 1986, as it may be amended from time to time) granted to an employee, under all plans of the Company and its subsidiaries providing for the grant of incentive stock options, may first become exercisable in any calendar year after 1986 shall not exceed $100,000. In making such determinations, the Committee may take into account the nature of the services rendered or expected to be rendered by the respective employees, their present and potential contributions to the Company's success, the anticipated number of years of effective service remaining and such other factors as the Committee in its discretion shall deem relevant. Subject to the express provisions of the Plan, the Committee shall also have plenary authority to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it, to determine the terms and provisions of the respective options (which terms and provisions need not be the same in each case), and to make all other determinations deemed necessary or advisable in administering the Plan. The determinations of the Committee on the matters referred to in this paragraph 3 shall be conclusive.

4. The Committee

The Committee shall consist of not less than three members of the Board of Directors, each of whom shall be a "disinterested" person within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934, as amended (or any successor rule or regulation). No member of the Committee shall be eligible to receive an option under the Plan. The Committee shall be appointed by the Board of Directors, which may from time to time appoint members to the Committee in substitution for or in addition to members previously appointed and may fill vacancies, however caused, in the Committee; the Board of Directors shall also designate one of the members of the Committee as its Chairman. The Committee

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shall hold its meetings at such times and places as it may determine. A majority of its members shall constitute a quorum. All determinations of the Committee shall be made by a majority of its members. Any decision or determination reduced to writing and signed by all the members shall be fully as effective as if it had been made by a majority vote at a meeting duly called and held. The Committee may appoint a secretary (who need not be a member of the Committee) and may make such rules and regulations for the conduct of its business as it shall deem advisable. No member of the Committee shall be liable, in the absence of bad faith, for any act or omission with respect to his service on the Committee. Service on the Committee shall constitute service as a Director of the Company so that the members of the Committee shall be entitled to indemnification and reimbursement as Directors of the Company pursuant to its Certificate of Incorporation.

5. Time of Granting of Options

Nothing contained in the Plan or in any resolution adopted or to be adopted by the Board of Directors or by the stockholders of the Company shall constitute the granting of any option hereunder. The action of the Committee with respect to the granting of an option shall take place on such date as a majority of the members of the Committee at a meeting shall make a determination with respect to the granting of an option or, in the absence of a meeting, on such date as a written Designation covering such option shall have been executed by all the members of the Committee. The effective date of the grant of an option (hereinafter called the Granting Date) shall be the date specified by the Committee in its determination or Designation relating to the award of such option.

6. Eligibility

Options may be granted only to key employees (which term shall be deemed to include officers) who on the Granting Date are in the employ of the Company or one of its present or future subsidiary corporations, as defined in Section 424 of the Internal Revenue Code of 1986, as the same shall be amended from time to time (hereinafter called Subsidiaries). A Director of the Company or of a Subsidiary who is not also such an employee of the Company or one of its Subsidiaries shall not be eligible to receive an option. During the life of the Plan options may be granted to eligible employees whether or not they hold or have held options under the Plan or other options previously granted by the Company.

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7. Option Prices

The purchase price of the Class B Common Stock under each option shall be determined by the Committee, but shall not be less than 100% of the fair market value of the Class B Common Stock on the Granting Date of such option, as determined by the Committee. The purchase price of shares purchased upon the exercise of an option is to be paid in full upon the issuance of such shares, either in cash or by the surrender of whole shares of Class B Common Stock having a fair market value, as determined by the Committee, equal to such purchase price, or by a combination of cash and whole shares. If paid in cash, the purchase price paid for stock upon the exercise of options shall be added to the general funds of the Company and used for corporate purposes. If paid in whole or in part in shares, the shares surrendered shall be held as Treasury shares.

In the alternative, the Committee may, in its discretion at any time, determine whether to permit an optionee the right to elect to make a "cashless exercise" of all or some portion of an option by tendering to the Company some or all of the vested otherwise exercisable portion of the option in return for a cash payment from the Company equal to the positive difference, if any, between the fair market value of the number of shares of Class B Common Stock covered by such tendered portion of the option and the aggregate option price attributable to such shares. The Company shall cause appropriate tax withholding to be made with respect to any such cash payment upon a "cashless exercise" of an option by withholding the appropriate amount from the aggregate proceeds made available through the "cashless exercise". Finally, an optionee may direct, in connection with a "cashless exercise," that some or all of the cash otherwise payable to the optionee from the Company be instead applied to the payment of the option price of shares of Class B Common Stock with respect to which the optionee has a vested currently exercisable option and which are not the subject of the current "cashless exercise." As such, the optionee would be using the value inherent in some existing options to create a source for funding the exercise of other options. The Company shall effectuate appropriate income tax withholding with respect to any "cashless exercise" used to fund the purchase of shares of Class B Common Stock by withholding the appropriate amount from the aggregate proceeds made available through the "cashless exercise" (including the amount of tax withholding required with respect to the purchase of such additional shares of

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Class B Common Stock) and applying the remaining amount of consideration to the purchase of additional shares of Class B Common Stock.

8. Option Types, Terms and Conditions

Options granted under the Plan shall be in the form of (a) incentive stock options (as defined in Section 422 of the Internal Revenue Code of 1986, as it may be amended from time to time) and/or (b) non-qualified stock options. To the extent that any option that is intended to be an incentive stock option exceeds the $100,000 limitation set forth in paragraph 3 above, it shall be deemed to be a non-qualified option.

The term of each option shall be for such period as the Committee shall determine, but not more than ten years from the Granting Date in the case of incentive stock options and non-qualified options, subject to earlier termination as the Committee may determine and as provided in paragraphs 10 and 11 hereof.

The Committee shall, in its discretion, prescribe the terms and conditions upon which options may be exercised, which terms and provisions need not be the same in each case. Except as provided in paragraphs 10 and 11 below, no option may be exercised at any time unless the holder thereof is then an employee of the Company or of a Subsidiary. An employee shall have none of the rights of a stockholder with respect to any of the shares subject to option until such shares shall be issued to him upon the exercise of his option.

The Committee may grant to holders of outstanding options, in exchange for the surrender and cancellation of such options, new options (which may be incentive stock options and/or non-qualified stock options) having purchase prices lower than the purchase prices provided in the options so surrendered and canceled and containing such other terms and conditions as the Committee may prescribe in accordance with the provisions of the Plan; provided that such new options shall provide for the purchase of not more than 90% of the number of shares covered by the options so surrendered and canceled and that the purchase price under such new options shall be determined in accordance with paragraph 7 hereof.

The maximum number of shares subject to options which may be granted under this Plan to any individual

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employee during the life of this Plan shall not exceed 250,000 in the aggregate.

9. Non-Transferability of Options

No option granted under the Plan shall be transferable otherwise than by will or the laws of descent and distribution and an option may be exercised, during the lifetime of the holder thereof, only by him.

10. Termination of Employment

In the event that the employment of an employee to whom an option has been granted under the Plan shall be terminated (otherwise than by reason of death), such option may, subject to the provisions of paragraphs 8 and 12, be exercised (only to the extent that the employee was entitled to do so at the termination of his employment) at any time within three months after such termination, but in no event after the expiration of the term of the option. Notwithstanding the foregoing, the Committee may permit any option granted to an employee whose employment is being terminated (otherwise than by reason of death) to remain exercisable for such period as the Committee shall determine, but in no event beyond the expiration of the term of the option. In the event the Committee so extends the exercise period of an option held by a terminating employee and such option is exercisable as to additional shares in installments, such installments shall continue to accrue after the termination of employment unless the Committee determines that the exercise period shall be extended only with respect to the number of shares purchasable at the date of the termination of employment. Options granted under the Plan shall not be affected by any change of employment so long as the holder continues to be an employee of the Company or of a Subsidiary. Retirement pursuant to any retirement plan of the Company or any Subsidiary shall be deemed to be a termination of employment for the purposes of this paragraph. The Committee may specify in the original terms of an option, or if not so specified shall determine, whether any authorized leave of absence or absence on military or governmental service or for any other reason shall constitute a termination of employment for purposes of this paragraph. Nothing in the Plan or in any option granted pursuant to the Plan (in the absence of an express provision to the contrary) shall confer on any individual any right to continue in the employ of the Company or any of its Subsidiaries or interfere in any way with the right of the Company or any of its Subsidiaries to terminate his employment at any time.

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11. Death of Holder of Option

Upon the death of the holder of an option granted under the Plan, such option may be exercised (unless the option otherwise provides) for the following specified number of shares by a legatee or legatees of such option under the holder's last will, or by the holder's personal representatives or distributees, at any time within one year after the holder's death, but in no event after the expiration of the term of the option: (i) if death occurs while the holder is employed by the Company or a subsidiary, to the extent of (a) the shares purchasable by such holder at the date of his death plus (b) the additional shares covered by the next installment, if any, of such option, or (ii) if death occurs within three months after the termination of the holder's employment or during any extension of the post-termination exercise period permitted by the Committee pursuant to paragraph 10 hereof, to the extent of the shares purchasable by such holder at the date of his death.

12. Employee's Agreement to Serve

The recipient of any option exercisable by the optionee within twelve months of the Granting Date shall agree to serve in the employ of the Company or, at the election of the Company from time to time, one of its Subsidiaries, for such period as the Committee shall determine, which shall not be less than twelve months following the Granting Date. The Committee shall be authorized in its discretion to grant options not exercisable by the optionee within twelve months of the Granting Date, in which case the recipient of such option need not (unless otherwise determined by the Committee) agree to serve in the employ of the Company or its Subsidiaries.

13. Adjustments in Class B Common Stock

Notwithstanding any other provision of the Plan, each option may contain such provisions as the Committee shall determine to be appropriate for the adjustment of the number and class of shares subject to such option, the option price and the number of shares as to which the option shall be exercisable at any time in the event of changes in the outstanding Class B Common Stock by reason of any stock dividend, split-up, recapitalization, combination or exchange of shares, merger, consolidation, separation, reorganization, liquidation and the like. In the event of any such change in

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the outstanding Class B Common Stock, the class and aggregate number of shares available under the Plan shall be appropriately adjusted by the Committee, whose determination shall be conclusive.

14. Amendment and Termination

Incentive stock options may not be granted after March 11, 2003; and unless the Plan shall theretofore have been terminated as hereinafter provided, the Plan shall terminate on, and no non-qualified option shall be granted thereunder after, December 31, 2003, provided that the Board of Directors may at any time prior to that date terminate the Plan. The Board of Directors shall have complete power and authority to amend the Plan, provided, however, that the Board of Directors shall not, without the affirmative vote of the holders of a majority of the voting stock of the Company entitled to vote thereon, (i) increase the maximum number of shares for which options may be granted under the Plan, (ii) change the formula as to minimum option prices, (iii) extend the period during which options may be granted or exercised or (iv) change the class of employees to whom options may be granted. No termination or amendment of the Plan may, without the consent of the individual to whom any option shall theretofore have been granted, adversely affect the rights of such individual under such option.

15. Government and Other Regulations

The obligation of the Company to sell and deliver shares under options granted under the Plan shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies as may be required, including, but not by way of limitation, the effectiveness of a Registration Statement under the Securities Act of 1933, as amended, as deemed necessary or appropriate by counsel for the Company.

16. Other Actions

Nothing contained in the Plan shall be construed to limit the authority of the Company to exercise its corporate rights and powers, including, but not by way of limitation, the right of the Company (i) to grant options for proper corporate purposes otherwise than under the Plan to any employee or other person, firm, corporation or association or (ii) to grant options to, or assume the option of, any person in connection with the acquisition, by purchase, lease, merger, consolidation or otherwise, of the business and

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assets (in whole or in part) of any person, firm, corporation or association.

Exhibit 11

CALCULATION OF EARNINGS
PER SHARE OF COMMON STOCK
(In thousands of shares)

	Thirteen Weeks Ended	
	March 29, 1998	March 30, 1997
Number of shares of Class A and Class B common stock outstanding at beginning of period	10,089	10,910
Issuance of shares of Class B common stock (weighted), net of forfeiture of restricted stock awards	3	16
Repurchase of Class B common stock (weighted)	(8)	(82)
Shares used in the computation of basic earnings per common share	10,084	10,844
Adjustment to reflect dilution from common stock equivalents	47	22
	10,131	10,866
Net income available for common shares	$207,396	$47,216
Basic earnings per common share	$ 20.57	$ 4.35
Diluted earnings per common share	$ 20.47	$ 4.35

5

This schedule contains summary financial information extracted from the Consolidated Statement of Income for the thirteen weeks ended March 29, 1998 and the Consolidated Balance Sheet as of March 29, 1998 and is qualified in its entirety by reference to such financial statements.

1,000

3-MOS
JAN-03-1999
MAR-29-1998
39,232
0
281,313
46,897
23,569
315,462
1,256,155
598,328
2,069,035
418,584
0
11,947
0
20,000
1,341,251
2,069,035
0
483,955
0
267,587
0
14,360
2,244
332,374
124,500
207,874
0
0
0
207,874
20.57
20.47

NOTE: EPS-PRIMARY REPRESENTS BASIC EARNINGS PER SHARE.

5

This schedule contains summary financial information extracted from the
Consolidated Statement of Income for the thirty-nine weeks ended September 28,
1997 and the Consolidated Balance Sheet as of September 28, 1997 and is
qualified in its entirety by reference to such financial statements.

1,000

9-MOS
DEC-28-1997
SEP-28-1997
34,202
0
294,818
51,029
26,931
328,390
1,220,147
627,517
1,983,104
330,350
0
11,947
0
20,000
1,353,713
1,983,104
0
1,433,851
0
743,547
0
48,554
505
314,012
123,410
190,602
0
0
0
190,602
17.63
17.59

NOTE: "EPS-PRIMARY" REPRESENTS BASIC EARNINGS PER SHARE.

5

This schedule contains summary financial information extracted from the Condensed Consolidated Statement of Income for the twenty-six weeks ended June 29, 1997 and the Condensed Consolidated Balance Sheet as of June 29, 1997 and is qualified in its entirety by reference to such financial statements.

1,000

6-MOS
DEC-28-1997
JUN-29-1997
63,127
0
284,621
50,061
26,795
342,946
1,176,275
613,048
1,886,869
290,295
0
11,947
0
20,000
1,307,198
1,886,869
0
955,476
0
489,982
0
31,556
323
194,051
75,000
119,051
0
0
0
119,051
10.97
10.95

NOTE: "EPS-PRIMARY" REPRESENTS BASIC EARNINGS PER SHARE.

5

This schedule contains summary financial information extracted from the Consolidated Statement of Income for the thirteen weeks ended March 30, 1997 and the Consolidated Balance Sheet as of March 30, 1997 and is qualified in its entirety by reference to such financial statements.

1,000

3-MOS
DEC-28-1997
MAR-30-1997
104,804
0
255,743
46,254
30,641
362,778
1,135,134
600,110
1,884,055
311,323
0
11,947
0
20,000
1,284,478
1,884,055
0
454,101
0
243,504
0
15,834
165
78,194
30,500
47,694
0
0
0
47,694
4.35
4.35

NOTE: "EPS-PRIMARY" REPRESENTS BASIC EARNINGS PER SHARE.

5

This schedule contains summary financial information extracted from the Consolidated Statement of Income for the year ended December 29, 1996 and the Consolidated Balance Sheet as of December 29, 1996 and is qualified in its entirety by reference to such financial statements.

1,000

YEAR
DEC-29-1996
DEC-29-1996
102,278
0
281,451
48,388
24,427
382,631
1,105,558
594,195
1,870,411
281,636
0
11,947
0
20,000
1,302,803
1,870,411
0
1,853,445
0
1,007,057
0
61,653
1,514
360,217
139,400
220,817
0
0
0
220,817
20.08
20.05

NOTE: "EPS-PRIMARY" REPRESENTS BASIC EARNINGS PER SHARE.

5

This schedule contains summary financial information extracted from the Consolidated Statement of Income for the thirty-nine weeks ended September 29, 1996 and the Consolidated Balance Sheet as of September 29, 1996 and is qualified in its entirety by reference to such financial statements.

1,000

9-MOS
DEC-29-1996
SEP-29-1996
101,010
0
267,317
45,932
23,207
387,945
1,081,296
581,698
1,855,330
314,704
0
11,947
0
20,000
1,252,214
1,855,330
0
1,349,797
0
741,885
0
36,208
1,390
255,094
99,543
155,551
0
0
0
155,551
14.11
14.10

NOTE: "EPS-PRIMARY" REPRESENTS BASIC EARNINGS PER SHARE.

5

This schedule contains summary financial information extracted from the Consolidated Statement of Income for the twenty-six weeks ended June 30, 1996 and the Consolidated Balance Sheet as of June 30, 1996 and is qualified in its entirety by reference to such financial statements.

1,000

6-MOS
DEC-29-1996
JUN-30-1996
101,664
0
277,092
44,624
24,531
380,884
1,037,037
566,918
1,785,669
276,476
0
11,947
0
20,000
1,226,283
1,785,669
0
889,471
0
496,121
0
28,338
1,222
164,200
64,040
100,160
0
0
0
100,160
9.10
9.10

NOTE: "EPS-PRIMARY" REPRESENTS BASIC EARNINGS PER SHARE.

5

This schedule contains summary financial information extracted from the Consolidated Statement of Income for the thirteen weeks ended March 31, 1996 and the Consolidated Balance Sheet as of March 31, 1996 and is qualified in its entirety by reference to such financial statements.

1,000

3-MOS
DEC-29-1996
MAR-31-1996
73,950
0
238,309
40,896
30,601
329,748
1,042,647
550,799
1,753,336
300,311
0
11,947
0
20,000
1,171,708
1,753,336
0
416,619
0
242,482
0
12,390
1,083
60,561
23,619
36,942
0
0
0
36,942
3.34
3.34

NOTE: "EPS-PRIMARY" REPRESENTS BASIC EARNINGS PER SHARE.

5

This schedule contains financial information extracted from the Consolidated Statement of Income for the year ended December 31, 1995 and the Consolidated Balance Sheet as of December 31, 1995 and is qualified in its entirety by reference to such financial statements.

1,000

YEAR
DEC-31-1995
DEC-31-1995
146,901
12,756
242,662
41,964
26,766
406,570
993,050
535,691
1,732,893
308,177
0
0
0
20,000
1,164,204
1,732,893
0
1,719,449
0
948,088
0
57,233
5,600
311,396
121,300
190,096
0
0
0
190,096
17.16
17.15

NOTE: "EPS-PRIMARY" REPRESENTS BASIC EARNINGS PER SHARE.