

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

## FORM 8-K

Current Report Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934Date of Report (Date of earliest event reported) March, 20 1998  
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THE WASHINGTON POST COMPANY-----  
(Exact name of registrant as specified in its charter)

Delaware

1-6714

53-0182885

-----  
(State or other jurisdiction  
of incorporation)(Commission  
File Number)(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

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(Registrant's telephone number, including area code)

Item 2. Acquisition or Disposition of Assets

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

As of the date of the Cowles and McClatchy merger transaction, a wholly-owned subsidiary of the Registrant owned 3,893,796 shares (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 Registrant's subsidiary received \$330,472,811 in cash from New McClatchy and 730,525 shares of New McClatchy Class A common stock. The market value of the New McClatchy stock received approximated \$21,550,000, based upon publicly quoted market prices.

The Registrant expects to record in its first fiscal 1998 quarter an after-tax gain resulting from the transaction described above of approximately \$155.0 million, or approximately \$15.30 per share on a diluted basis.

Item 7. Financial Statements and Exhibits

Listed below is the pro forma financial information filed as part of this report.

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THE WASHINGTON POST COMPANY  
Introduction to Unaudited Pro Forma Financial Information

The following Unaudited Pro Forma Condensed Consolidated Balance Sheet at December 28, 1997 presents, on a pro forma basis, the Registrant's consolidated financial position assuming the sale of its consolidated holdings of Cowles common stock had been consummated on December 28, 1997. The following Unaudited Pro Forma Condensed Consolidated Statement of Income for the fiscal year ended December 28, 1997 presents, on a pro forma basis, the Registrant's consolidated results of operations assuming the sale of the Cowles stock had been consummated on December 30, 1996 (the first day of fiscal 1997).

The unaudited pro forma financial information gives effect to certain pro forma adjustments which are described in the notes to these statements. The nonrecurring gain that will result from the sale is not included in the Unaudited Pro Forma Statement of Income, but will be reflected in the Registrant's results of operations during its fiscal quarter ended March 29, 1998.

The unaudited pro forma financial information is presented for informational purposes only and is not intended to reflect the results of operations or financial position which would have actually resulted had the sale been effective on the dates indicated or the results of operations or financial position which may be obtained in the future.

THE WASHINGTON POST COMPANY  
 UNAUDITED PRO FORMA CONDENSED CONSOLIDATED  
 BALANCE SHEET  
 AS OF DECEMBER 28, 1997  
 (IN THOUSANDS)

	The Washington Post Company -----	Pro Forma Adjustments -----	Unaudited Pro Forma The Washington Post Company -----
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 21,117	\$ 34,079 [a]	\$ 55,196
Accounts receivable, net	244,203		244,203
Inventories	19,213		19,213
Other current assets	23,959		23,959
	-----	-----	-----
	308,492	34,079	342,571
INVESTMENT IN AFFILIATES	154,791	(91,903) [c]	62,888
PROPERTY, PLANT AND EQUIPMENT, NET	653,750		653,750
GOODWILL AND OTHER INTANGIBLES, NET	679,714		679,714
DEFERRED CHARGES AND OTHER ASSETS	280,570	21,551 [b]	302,121
	-----	-----	-----
	\$ 2,077,317	\$ (36,273)	\$ 2,041,044
	=====	=====	=====
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 213,824		\$ 213,824
Federal and state income tax	18,352	\$ 101,967 [d]	120,319
Deferred subscription revenue	80,186		80,186
Short-term borrowings	296,394	(296,394) [a]	--
	-----	-----	-----
	608,756	(194,427)	414,329
OTHER LIABILITIES	241,234		241,234
DEFERRED INCOME TAXES	31,306		31,306
	-----	-----	-----
	881,296	(194,427)	686,869
	-----	-----	-----
REDEEMABLE PREFERRED STOCK	11,947		11,947
PREFERRED STOCK	--		--
<b>COMMON SHAREHOLDERS' EQUITY</b>			
Common stock	20,000		20,000
Capital in excess of par value	33,415		33,415
Retained earnings	2,231,341	158,154 [e]	2,389,495
Cumulative foreign currency translation adjustment	(464)		(464)
Unrealized gain on available- for-sale securities	31		31
Treasury stock	(1,100,249)		(1,100,249)
	-----	-----	-----
	1,184,074	158,154	1,342,228
	-----	-----	-----
	\$ 2,077,317	\$ (36,273)	\$ 2,041,044
	=====	=====	=====

THE WASHINGTON POST COMPANY  
 UNAUDITED PRO FORMA CONDENSED CONSOLIDATED  
 STATEMENT OF INCOME FOR THE  
 FISCAL YEAR ENDED DECEMBER 28, 1997  
 (IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	The Washington Post Company -----	Pro Forma Adjustments -----	Unaudited Pro Forma The Washington Post Company -----
<b>OPERATING REVENUES</b>			
Advertising	\$1,236,877		\$1,236,877
Circulation and subscriber	519,620		519,620
Other	199,756		199,756
	-----		-----
	1,956,253		1,956,253
	-----		-----
<b>OPERATING COSTS AND EXPENSES</b>			
Operating	1,019,869		1,019,869
Selling, general and administrative	449,996		449,996
Depreciation and amortization of property, plant and equipment	71,478		71,478
Amortization of goodwill and other intangibles	33,559		33,559
	-----		-----
	1,574,902		1,574,902
	-----		-----
<b>INCOME FROM OPERATIONS</b>	<b>381,351</b>		<b>381,351</b>
Equity in earnings of affiliates	9,955	\$(8,426) [f]	1,529
Interest income	3,471		3,471
Interest expense	(1,252)	102 [g]	(1,150)
Other income	69,549		69,549
	-----	-----	-----
<b>INCOME BEFORE INCOME TAXES</b>	<b>463,074</b>	<b>(8,324)</b>	<b>454,750</b>
<b>PROVISION FOR INCOME TAXES</b>	<b>181,500</b>	<b>(3,280) [h]</b>	<b>178,220</b>
	-----	-----	-----
<b>NET INCOME</b>	<b>281,574</b>	<b>(5,044)</b>	<b>276,530</b>
<b>REDEEMABLE PREFERRED STOCK DIVIDENDS</b>	<b>(956)</b>		<b>(956)</b>
	-----	-----	-----
<b>NET INCOME AVAILABLE FOR COMMON SHARES</b>	<b>\$ 280,618</b>	<b>\$ (5,044)</b>	<b>\$ 275,574</b>
	=====	=====	=====
<b>BASIC EARNINGS PER COMMON SHARE</b>	<b>\$ 26.23</b>	<b>\$ (.47)</b>	<b>\$ 25.76</b>
	=====	=====	=====
<b>DILUTED EARNINGS PER COMMON SHARE</b>	<b>\$ 26.15</b>	<b>\$ (.47)</b>	<b>\$ 25.68</b>
	=====	=====	=====

THE WASHINGTON POST COMPANY  
NOTES TO UNAUDITED PRO FORMA FINANCIAL INFORMATION

Note 1 - Basis of Presentation

The Unaudited Pro Forma Condensed Consolidated Balance Sheet presents the financial position of the Registrant as of December 28, 1997, assuming the sale of the Registrant's consolidated holdings of Cowles common stock had been consummated on December 28, 1997. Such pro forma information is based on the historical balance sheet of the Registrant.

The Unaudited Pro Forma Condensed Consolidated Statement of Income for the fiscal year ended December 28, 1997 has been prepared assuming the sale of the Cowles Stock occurred on December 30, 1996 (the first day of fiscal 1997). Such pro forma information is based on the historical statement of income of the Registrant. The nonrecurring gain that will result from the above sale has not been included in the Unaudited Pro Forma Condensed Consolidated Statement of Income, but will be reflected in the Registrant's results of operations in its fiscal quarter ended March 29, 1998.

Pursuant to the Securities and Exchange Commission's rules surrounding the preparation of pro forma financial statements, the Unaudited Pro Forma Statement of Income does not include any adjustment for investment income that may have been earned from the investment of the cash proceeds received.

The Registrant believes the assumptions used in preparing the unaudited pro forma financial information provide a reasonable basis for presenting all of the significant effects of the above sale and the application of the net proceeds thereof and that the pro forma adjustments give effect to those assumptions in the unaudited pro forma financial information.

Note 2 - Pro Forma Adjustments

Pro forma adjustments to the Condensed Consolidated Balance Sheet are as follows:

- a) Adjustment to reflect the receipt of the \$330,472,811 in cash proceeds and the partial use of such proceeds to repay the short-term borrowings then outstanding.
- b) Adjustment to reflect the receipt of the 730,525 shares of New McClatchy Class A common stock.
- c) Adjustment to reflect the disposition of the carrying value of the Cowles investment.
- d) Adjustment to accrue estimated Federal and state income taxes payable arising from the sale of the Cowles investment.
- e) Adjustment to increase retained earnings by the estimated gain on the sale of the Cowles investment.

Pro forma adjustments to the Condensed Consolidated Statement of Income are as follows:

- f) Adjustment to eliminate the equity in earnings of Cowles that was recorded during fiscal 1997.

- g) Adjustment to reflect the estimated decrease in interest expense incurred on borrowings that would have been avoided as a result of the proceeds received from the sale.
- h) Adjustment to reflect the estimated decrease in tax expense resulting from the pro forma adjustments described in notes [f] and [g].

## SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

The Washington Post Company  
(Registrant)

Date April 2, 1998  
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/s/ JOHN B. MORSE, JR.  
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John B. Morse, Jr., Vice  
President - Finance  
(Principal Financial Officer)