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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D. C. 20549

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FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended January 2, 1972. **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.)
444 Madison Avenue, New York, N. Y.	**10022**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (212) 350-2000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Class B Common Stock, par value $1.00 per share	American Stock Exchange

Indicate by check mark whether the registrant has filed all annual, quarterly and other reports required to be filed with the Commission within the past 90 days and in addition has filed the most recent annual report required to be filed. Yes ✓ No ______.

MAR 27 1972

PART I

Item 1. *Business.*

The principal business activities of The Washington Post Company (the "Registrant") are newspaper publishing (principally *The Washington Post*), magazine and book publishing (principally *Newsweek*) and broadcasting (principally three network-affiliated television stations and two AM radio stations).

Set forth below for each of the Registrant's last five fiscal years are the amount and percentage of the Registrant's consolidated net operating revenues and the amount and percentage of its consolidated income from operations attributable to its three principal lines of business. Net operating revenues are shown before other income (principally interest and equity in earnings of affiliates), and income from operations is shown before interest expense, taxes on income and extraordinary items.

	Fiscal Year Ended									
	December 31, 1967		December 29, 1968		December 28, 1969		January 3, 1971		January 2, 1972	
Net Operating Revenues	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
	(dollars in thousands)									
Newspaper publishing and related operations	$ 63,404	48	$ 68,150	46	$ 75,859	45	$ 79,267	44	$ 85,892	44
Magazine and book publishing and related operations	56,775	43	65,967	45	79,280	47	79,985	45	86,044	45
Broadcasting	11,316	9	12,480	9	13,994	8	18,779	11	20,813	11
	$131,495	100	$146,597	100	$169,133	100	$178,031	100	$192,749	100
Income from Operations*										
Newspaper publishing and related operations	$ 9,008	65	$ 10,295	59	$ 11,444	58	$ 8,883	64	$ 8,706	57
Magazine and book publishing and related operations	2,140	16	4,266	25	6,515	33	2,584	18	2,738	18
Broadcasting	2,630	19	2,785	16	1,695	9	2,458	18	3,750	25
	$ 13,778	100	$ 17,346	100	$ 19,654	100	$ 13,925	100	$ 15,194	100

*Years prior to the year ended January 2, 1972 have been restated to give retroactive effect to changes in accounting methods for magazine subscription procurement and book promotion costs adopted in 1971.

Reference is made to the description of the Registrant's business activities contained on pages 10-19 of the Prospectus dated June 15, 1971, included in Registration Statement No. 2-40389 under the Securities Act of 1933 (hereinafter in this report called the "Prospectus"), which pages are incorporated herein by reference thereto.

Such description is supplemented by the information set forth below.

Newspaper Publishing

As reported by the Audit Bureau of Circulations, during the 12-month period ended September 30, 1971, (a) the average paid circulation of *The Washington Post* was 511,540 daily (up 1.2% from the preceding 12-month period) and 677,663 on Sundays (up 1.8%), (b) the average daily paid circulation of Washington's two evening newspapers was 301,036 (down 2.4%) and 209,859 (up 0.3%), respectively, and (c) the average paid circulation of the Sunday edition of one of those newspapers was 328,993 (down 5.3%). The *Post's* circulation revenue for the year ended January 2, 1972 was $14,353,242, up 9% from the preceding fiscal year.

During the year ended January 2, 1972, the *Post's* total advertising lineage increased by 2,900,000 lines over the preceding year; advertising revenue was $69,533,000 (up 8.5%), and average net revenue per line was $0.965 (up 3.8%).

Magazine and Book Publishing

During 1971 *Newsweek*'s average weekly domestic circulation rate base was 2,600,000 copies (29.8% of the three leading news magazines) and its domestic circulation revenues were $21,058,131 (up 5.5% from 1970). During the year *Newsweek* carried 2,981 domestic advertising pages, representing 40.3% of the total pages carried in 1971 by the three leading weekly news magazines as reported by Publishers Information Bureau, Inc., adjusted to exclude advertising by enterprises affiliated with the respective publishers. *Newsweek*'s gross advertising revenues in 1971 were $67,071,972 (up 10.7% from 1970). In 1971 the international editions of *Newsweek* had an average weekly circulation rate base of 325,000, circulation revenue of $3,802,831 (up 10.2%) and gross advertising revenue of $8,241,545 (up 3%); such circulation rate base has been increased to 360,000 for 1972.

Broadcasting

In 1971 the Registrant's net operating revenues from television accounted for approximately 88% of its net operating revenues from broadcasting. Such television net operating revenues, by category of advertising, were as follows:

National	$ 9,922,230
Local	6,187,992
Network	1,968,457
Other	238,874
Total	$18,317,553

During 1972 it will be necessary for the Company's broadcasting subsidiaries to apply to the Federal Communications Commission for renewal of the license held by television station WTOP-TV in Washington, D. C., which will expire on October 1, 1972, and the licenses held by television stations WPLG-TV in Miami, Florida, and WJXT in Jacksonville, Florida, which will expire on February 1, 1973.

The affiliation agreement between WPLG-TV and the ABC Television Network was renewed effective July 2, 1971; its current term will expire on April 2, 1973.

Production and Raw Materials

In 1971 *The Washington Post* consumed 144,000 tons of newsprint. In January 1972, all the Registrant's major newsprint suppliers announced increases of $3 per ton in the price of newsprint, to be made effective at various future dates; the increase will bring these suppliers' prices for newsprint to $163 per ton.

Competition

According to figures compiled by Publishers Information Bureau, Inc., of the 94 "general magazines" reported on by that bureau *Newsweek* ranked fourth in total advertising revenues in 1971, when it received approximately 5.4% of all "general magazine" advertising revenues.

Employees

In January 1972 there was a 13-day strike against the Registrant's Washington broadcasting station by 67 technicians represented by the International Brotherhood of Electrical Workers. The strike did not cause any interruption in the station's broadcasting operations.

For 1971, the total expense of *The Washington Post*'s circulation dealer profit incentive plan was $444,000.

Item 2. ***Summary of Operations.***

The following Consolidated Statements of Income of The Washington Post Company for the five fiscal years ended January 2, 1972, have been examined by Price Waterhouse & Co., independent accountants, as set forth in their opinion included elsewhere in this report. These statements should be read in conjunction with the other Consolidated Financial Statements and related notes included elsewhere in this report. Amounts shown for the four years ended January 3, 1971, have been restated from previously reported amounts to give effect to the equity method of accounting adopted in the year ended January 2, 1972 (see Note 4).

	Fiscal Year Ended				
	December 31, 1967	December 29, 1968	December 28, 1969	January 3, 1971	January 2, 1972
	(Amounts in thousands except per share data)				
Operating revenues	$131,495	$146,597	$169,133	$178,031	$192,749
Costs and expenses (note 3)	118,524	130,042	150,622	164,515	177,555
Income from operations	12,971	16,555	18,511	13,516	15,194
Other income					
Interest	581	703	908	1,050	845
Other	392	234	491	209	246
Equity in earnings of affiliates (note 4)	638	450	633	499	509
	1,611	1,387	2,032	1,758	1,600
Other deductions					
Interest	1,369	1,439	1,624	3,048	2,774
Other	403	465	435	446	501
	1,772	1,904	2,059	3,494	3,275
Income before income taxes, extraordinary items and special credit	12,810	16,038	18,484	11,780	13,519
Provision for income taxes (note 5)					
Current	6,235	9,035	10,135	6,811	5,698
Deferred	(128)	(391)	(535)	(803)	1,037
	6,107	8,644	9,600	6,008	6,735
Income before extraordinary items and special credit	6,703	7,394	8,884	5,772	6,784
Extraordinary items (note 6)	—	—	(919)	(853)	387
Special credit (note 2)	—	—	—	—	4,586
Net income (notes 1 and 2)	6,703	7,394	7,965	4,919	11,757
Preferred dividend requirement	78	78	78	33	—
Net income applicable to common stock	$ 6,625	$ 7,316	$ 7,887	$ 4,886	$ 11,757
Earnings per common and common equivalent share (note 7)					
Primary					
Income before extraordinary items and special credit	$1.49	$1.75	$2.24	$1.43	$1.52
Extraordinary items	—	—	(.23)	(.21)	.09
Special credit	—	—	—	—	1.04
Net income	$1.49	$1.75	$2.01	$1.22	$2.65
Fully diluted					
Income before extraordinary items and special credit	$1.38	$1.62	$2.06	$1.37	$1.52
Extraordinary items	—	—	(.21)	(.20)	.09
Special credit	—	—	—	—	1.03
Net income	$1.38	$1.62	$1.85	$1.17	$2.64
Pro forma amounts (notes 2 and 7)					
Income before extraordinary items	$ 7,098	$ 7,743	$ 9,389	$ 5,266	
Per share—primary	1.58	1.83	2.37	1.48	
Per share—fully diluted	1.46	1.69	2.17	1.42	
Net income	7,098	7,743	8,470	5,113	
Per share—primary	1.58	1.83	2.14	1.27	
Per share—fully diluted	1.46	1.69	1.96	1.22	
Dividends on common stock	$ .20	$ .20	$ .20	$ .20	$ .20

NOTES TO CONSOLIDATED STATEMENTS OF INCOME

1. In October, 1969, the Company acquired television station WPLG-TV in Miami, Florida, and radio station WCKY (AM) in Cincinnati, Ohio. This acquisition was accounted for as a purchase and accordingly the operations of these businesses are included in the accompanying Consolidated Statements of Income from the purchase date.

2. In the fiscal year ended January 2, 1972 ("fiscal 1971"), the Company changed its methods of accounting for magazine subscription procurement and book promotion costs so that revenues and expenses will be better matched. These changes, which are described in the Notes to Consolidated Financial Statements included elsewhere in this report (see Note A—Summary of Accounting Policies), increased net income in fiscal 1971 by $681,000 or $0.15 per common and common equivalent share. The special credit in fiscal 1971 is after reduction for taxes on income of $5,068,000 and represents the cumulative effect of these changes in accounting methods on periods prior to fiscal 1971. Pro forma amounts shown for the fiscal years 1967-1970 assume that these changes in methods of accounting for magazine subscription procurement and book promotion costs had been retroactively applied.

3. Depreciation and amortization of plant assets included in costs and expenses for each fiscal year is as follows: 1967, $2,231,000; 1968, $2,047,000; 1969, $2,149,000; 1970, $2,776,000; and 1971, $2,436,000 (see Note A—Summary of Accounting Policies).

4. In 1971 the Company adopted the equity method of accounting for its 49 per cent investment in Bowaters Mersey Paper Company Limited (See Note A—Summary of Accounting Policies). Net income in fiscal 1971 was reduced by $26,000 from that which would have been reported had the equity basis not been adopted. The Consolidated Statements of Income have been restated to give retroactive effect to this change in fiscal 1967-1970. The effect of the restatement was to increase (decrease) previously reported net income by $162,000, ($27,000), $224,000 and $14,000 in fiscal 1967 through 1970, respectively.

5. The Company adopted the "deferral method" of accounting for investment tax credits in fiscal 1971. The provision for income taxes in fiscal 1971 has been reduced by investment tax credits of $5,000 under this method. The Company had no investment tax credit in fiscal 1970 and under its former method ("the flow-through method") of accounting for investment tax credits, the provision for income taxes has been reduced by investment tax credits aggregating $143,000, $66,000 and $36,000 in fiscal 1967 through 1969, respectively.

6. The extraordinary items were as follows:

	Fiscal Year Ended		
	December 28, 1969	January 3, 1971	January 2, 1972
Abandonment of architectural and engineering plans for projected newspaper building	$(1,947,000)		
Provision for estimated loss on retirement of plant and estimated cost of demolition in connection with newspaper plant expansion program		$(1,327,000)	
Provision for loss on expiration of land purchase option		(197,000)	
Expenses in defending renewal of television broadcasting license of station acquired in 1969		(192,000)	
Less related income taxes on above items	1,028,000	863,000	
Tax benefit from charitable contribution of FM broadcast facilities			$ 387,000
Total	$(919,000)	$(853,000)	$ 387,000

7. Per share amounts are based upon the weighted average number of shares of common stock and common stock equivalents outstanding during the periods: 4,456,740 in 1967; 4,184,160 in 1968; 3,929,220 in 1969; 3,999,960 in 1970; and 4,429,090 in 1971. Shares issuable under stock options are considered common stock equivalents where the fair value of the shares was more than the option price during the period. The number of such equivalents is then reduced by the number of shares which could have been purchased with the proceeds from the sale of the optioned shares had the options been exercised. Fully diluted per share data is based upon the assumption that the convertible preferred stock outstanding during each of the periods (all of which has been converted) had been converted into shares of Class B common stock on the first day of each fiscal year. The weighted average number of shares used in the computation of fully diluted per share amounts was 4,853,580 in 1967; 4,573,740 in 1968; 4,320,600 in 1969; 4,205,931 in 1970; and 4,449,020 in 1971.

For the fiscal year ended January 2, 1972, the Registrant changed its methods of accounting for magazine subscription procurement and book promotion costs, which had been charged to expense as incurred in prior years. Under the methods adopted in the latest fiscal year, magazine subscription procurement costs are being deferred and amortized over the lives of the related subscriptions, and book promotion costs are being deferred and amortized over the 12-month period after the dates such costs are incurred. In addition, the Registrant adopted the equity method of accounting for its investment in 49% of the outstanding common shares of Bowaters Mersey Paper Company Limited. These changes were made in order to better match such costs against related revenues and to conform to the requirements of Accounting Principles Board Opinion No. 18 issued in March 1971. The changes have been approved by the Registrant's independent acocuntants (see Exhibit 6 to this report).

The following Consolidated Statements of Changes in Capital in Excess of Par Value, Retained Earnings and Treasury Stock of The Washington Post Company for the five fiscal years ended January 2, 1972, have been examined by Price Waterhouse & Co., independent accountants, as set forth in their opinion included elsewhere in this report. These statements should be read in conjunction with the other Consolidated Financial Statements and related notes included elsewhere in this report.

Consolidated Statements of Changes in Capital in Excess of Par Value, Retained Earnings and Treasury Stock

	Fiscal Year Ended				
	December 31, 1967	December 29, 1968	December 28, 1969	January 3, 1971	January 2, 1972
	(Amounts in thousands)				
Capital Surplus (Note G)					
Balance, beginning of period	$ 2,397	$ 2,631	$ 2,870	$ 3,581	$ 5,160
Issuance of shares of Class B Common Stock					
Sale of treasury stock to public and employees					3,738
Upon exercise of stock options	337	95	387	1,019	744
Under compensation agreements and as contributions	39	144	324		
Upon conversion of Series D and E Preferred Stock				513	400
Cancellation of treasury stock	(142)				
Other				47	37
Balance, end of period	$ 2,631	$ 2,870	$ 3,581	$ 5,160	$10,079
Retained Earnings					
Balance, beginning of period					
As previously reported	$29,314	$30,195	$36,766	$43,709	$47,800
Adjustments to reflect adoption of the equity method of accounting for investment in Bowaters Mersey Paper Company Limited (Note C)	993	1,155	1,129	1,352	1,366
As restated	30,307	31,350	37,895	45,061	49,166
Net income	6,703	7,394	7,965	4,919	11,757
Cancellation of treasury stock	(4,765)				
Cash dividends:					
Common stock $.20 per share	(817)	(771)	(721)	(781)	(871)
Preferred stock	(78)	(78)	(78)	(33)	
Balance, end of period	$31,350	$37,895	$45,061	$49,166	$60,052
Treasury Stock					
Balance, beginning of period	$ 2,000	$ 1,999	$ 6,290	$11,642	$15,653
Purchases	5,906	5,217	6,565	4,071	530
Cost of shares issued under compensation agreements and as contributions	(600)	(926)	(1,213)		
Cost of shares sold to public and employees				(60)	(11,336)
Cancellation of treasury stock	(5,307)				
Balance, end of period	$ 1,999	$ 6,290	$11,642	$15,653	$ 4,847

(Note references are to Notes to Consolidated Financial Statements)

Item 3. *Properties.*

Reference is made to the information contained under the heading "Properties" on page 20 of the Prospectus, which is incorporated herein by reference thereto.

As of the end of the Registrant's fiscal year ended January 2, 1972, the budgeted cost of the expanded plant facilities and new office building under construction in Washington, D.C., including construction, production equipment, furnishings and renovation of existing facilities, was $28,160,000, of which approximately $18,824,000 had been paid.

To improve the quality and range of its broadcasting signal, the Registrant's Washington television station is constructing a new transmitting tower to be shared with another Washington station; the new tower is being constructed on land to be conveyed by the Registrant's station to a joint venture to be formed with the other station. The anticipated capital cost to the Company is $500,000, including the value of the land.

Item 4. *Parents and Subsidiaries.*

Mrs. Katharine Graham, by virtue of her record and beneficial ownership of 50.12% of the outstanding shares of Class A Common Stock of the Registrant and her position as President of the Registrant and Publisher of *The Washington Post,* may be deemed to be a "parent" of the Registrant.

The following is a list of the subsidiaries of the Registrant:

Name of Subsidiary	Jurisdiction of Incorporation	% of Voting Stock Owned by Registrant
Newsweek, Inc.	New York	100%
Post-Newsweek Stations, Inc.	Delaware	100%
Post-Newsweek Stations, Capital Area, Inc.	Delaware	100%
Post-Newsweek Stations, Florida, Inc.	Florida	100%
Postrib Corp.	Delaware	50%
Robinson Terminal Warehouse Corporation	Delaware	85%
Newsweek, Inc.*	Delaware	100%
Bowaters Mersey Paper Company Limited	Nova Scotia	49%

*Inactive.

All the subsidiaries listed above are included in the Registrant's consolidated financial statements except (i) Bowaters Mersey Paper Company Limited, for which separate financial statements are omitted pursuant to clause (2) of paragraph 5 of the Instructions as to Financial Statements under Form 10-K, and (ii) Postrib Corp., which is not a significant subsidiary.

Item 5. *Pending Legal Proceedings.*

Reference is made to the information set forth under the heading "Legal Proceedings" on pages 20-21 of the Prospectus, which is incorporated herein by reference thereto.

Item 6. *Increases and Decreases in Outstanding Securities.*

Preferred Stock, Series E:	
Shares outstanding 1/3/71	5,500
Converted into Class B Common Stock on 2/18/71	(5,500)
Shares outstanding 1/2/72	0
Class A Common Stock:	
Shares outstanding 1/3/71	12,724
Issued 6/22/71 upon 60-for-1 split	750,716
Shares outstanding 1/2/72	763,440

Class B Common Stock:	
Shares outstanding 1/3/71	50,983
Repurchased from retiring employees 1/12/71—5/18/71 pursuant to repurchase agreements	(452)
Issued 1/29/71 to Newsweek Employees Savings Plan Trust (a) (b)	50
Issued 2/18/71 on conversion of 5,500 shares Preferred Stock, Series E (c)	2,500
Issued 3/23/71 to replace certificate erroneously cancelled in 1970	15
Issued 5/28/71 to Frederick S. Beebe upon exercise of restricted stock option (a) (b)	3,098
Outstanding 5/28/71	56,194
Issued 6/22/71 upon 60-for-1 split	3,315,446
Outstanding following split	3,371,640
Sold to underwriters 6/22/71 (d)	580,000
Sold to employees 7/19/71 (d)	41,375
Reacquired (forfeited) 9/2/71	(1,200)
Issued 12/8/71 to Art Buchwald in partial satisfaction of obligation under deferred compensation agreement (a) (e)	1,442
Shares outstanding 1/2/72	3,993,257
Options to Purchase Class B Common Stock:	
Shares subject to options outstanding 1/3/71	3,098
Exercised 5/28/71	(3,098)
Shares subject to options granted 6/14/71	279,700
Shares subject to options lapsed 9/10-11/30/71	(4,125)
Shares subject to options granted 12/27/71	12,000
Shares subject to options outstanding 1/2/72	287,575

NOTES:

(a) Exemption from the registration requirements of the Securities Act of 1933 claimed under Section 4(2) thereof, on the ground that the issuance of the shares did not involve any public offering and the Registrant was advised by the purchaser that the shares were acquired for investment and not with a view to distribution. The stock certificates representing the securities have been legended and stop-transfer instructions have been given in connection therewith. No broker, underwriter or finder was involved in the transaction.

(b) At the date of these transactions there was no public market for the Class B Common Stock; their value was then computed under a formula developed with the assistance of the Registrant's independent accountants in order to determine fair value in the absence of a public market (the "formula value"). The shares sold on 1/29/71 had an aggregate formula value of $57,740, which was the price received therefor by the Registrant. The shares sold on 5/28/71 had an aggregate formula value of $3,577,570; the aggregate option price therefor received by the Registrant was $929,400.

(c) Exemption from the registration requirements of the Securities Act of 1933 claimed under Section 3(a)(9) thereof.

(d) Registered under the Securities Act of 1933 (Registration No. 2-40389).

(e) Issued pursuant to an agreement with Mr. Buchwald dated July 30, 1971, providing for the issuance to him of 2,884 shares in satisfaction of an obligation to pay him $60,000 deferred compensation, half of which shares were to be issued in 1971 and the remainder in January 1972. The shares issued in December 1971 had an aggregate fair market value of $34,608 on the date of issuance.

Item 7. ***Approximate Number of Equity Security Holders.***

Title of Class	Number of Record Holders (a)
Class A Common Stock	9
Class B Common Stock	2,420

(a) As of February 1, 1972.

Item 8. ***Executive Officers of the Registrant.****

Name	Age*	Position(s) Held
Katharine Graham	54	President; Publisher of *The Washington Post*
Frederick S. Beebe	57	Chairman of the Board of the Registrant and of Newsweek, Inc.
John W. Sweeterman	64	Vice-Chairman of the Board
Osborn Elliott	47	Vice President of the Registrant; President of Newsweek, Inc.
Alan R. Finberg	44	Vice President, Secretary and General Counsel
Paul R. Ignatius**	51	Vice President
Larry H. Israel	52	Vice President of the Registrant; Chairman of the Board, Post-Newsweek Stations, Inc.
Mark J. Meagher	39	Vice President—Finance
John S. Prescott, Jr.	44	Vice President; President of *The Washington Post*
Robert P. Thome	56	Treasurer

*As of January 2, 1972.
**Terminated January 31, 1972.

No family relationship exists between any of the persons listed above.

Item 9. ***Indemnification of Directors and Officers.***

Article Ninth of the Registrant's Restated Certificate of Incorporation, which substantially conforms with Section 145 of the Delaware General Corporation Law, provides for the indemnification by the Registrant of its directors and officers against liabilities and expenses incurred by them by reason of their being such directors and officers if they shall have acted in good faith in what they reasonably believe to be the best interests of the Registrant (and, in case of a criminal proceeding, had no reasonable cause to believe that their conduct was unlawful); but unless otherwise determined by a court, no director or officer may be indemnified in respect of any proceeding brought by or in the right of the Registrant in which he shall be found liable for negligence or misconduct in the performance of his duty to the Registrant.

Under an insurance policy procured by the Registrant, its directors and officers are indemnified against liabilities under the Securities Act of 1933 arising out of the public offering of shares of Class B Common Stock of the Registrant made in June 1971.

Item 10. *Financial Statements and Exhibits Filed.*

(a) **Financial Statements**

As listed in the accompanying index to financial statements.

(b) **Exhibits**

1.1	—Amendment dated October 19, 1971, to employment agreement between the Registrant and Paul R. Ignatius dated January 21, 1969.
1.2	—Amendment dated February 1, 1972, to employment agreement between the Registrant and Paul R. Ignatius dated January 21, 1969.
1.3	—Amendment dated November 15, 1971, to employment agreement between Post-Newsweek Stations, Inc. and Larry H. Israel dated August 12, 1968.
1.4	—Employment agreement dated December 6, 1971, between the Registrant and John S. Prescott, Jr.
1.5	—Amendment dated December 14, 1971, to employment agreement between the Registrant and Mark J. Meagher dated April 21, 1970.
*2.1	—Amendment dated July 14, 1971, to Note Agreement between the Registrant and The Prudential Insurance Company of America dated May 1, 1968.
*2.2	—Amendment dated January 6, 1972, to Note Agreement between the Registrant and The Prudential Insurance Company of America dated May 1, 1968.
*3	—Amended form of Non-Qualified Stock Option under Stock Option Plan.
4	—Collective bargaining agreement effective October 1, 1971, between the Registrant and The Washington-Baltimore Newspaper Guild.
5	—Calculation of earnings per share of common stock (filed pursuant to Instruction 3 to Item 2 of Form 10-K).
6	—Letter from Price Waterhouse & Co. dated March 10, 1972, with respect to certain changes in accounting principles or practices (filed pursuant to Instruction 5 to Item 2 of Form 10-K).

*Basic document.

PART II

Responses to Part II (Items 11 through 15) are omitted pursuant to General Instruction H to Form 10-K. Within 120 days from the end of the fiscal year covered by this Annual Report the Registrant will file with the Securities and Exchange Commission a definitive proxy statement pursuant to Regulation 14A involving the election of Directors of the Registrant.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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)

By Frederick S. Beebe
Frederick S. Beebe
Chairman of the Board

Dated: March 22, 1972.

INDEX TO FINANCIAL STATEMENTS

All other schedules have been omitted because the required information is not present or not present in sufficient amounts to require submission of the schedule, or because the required information is included in the consolidated financial statements or notes thereto.

Financial statements and schedules of The Washington Post Company (unconsolidated) are omitted for the following reasons:

(a) The Company is primarily an operating company and consolidated financial statements of the Company and its subsidiaries are included.

(b) The aggregate of the minority interest in a subsidiary and indebtedness of that subsidiary which is held by outside parties is not material in relation to consolidated assets, and

(c) All other subsidiaries included in the consolidated financial statements are wholly-owned, with no significant debt that is not guaranteed by the parent.

Financial statements and schedules of Bowaters Mersey Paper Company Limited (Bowaters) are omitted because:

(a) The Company's investment in and advances to Bowaters do not exceed 10% of the total consolidated assets at January 2, 1972, and

(b) The Company's equity in net income of Bowaters did not exceed 10% of consolidated net income for the year ended January 2, 1972.

OPINION OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders
THE WASHINGTON POST COMPANY

We have examined the Consolidated Financial Statements of The Washington Post Company listed in the accompanying index. Our examinations were made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As described in Notes 2, 4 and 5 to the Consolidated Statements of Income and in Note A to the Consolidated Financial Statements, in 1971 the Company adopted the equity method of accounting for its investment in Bowaters Mersey Paper Company Limited, began deferring both magazine subscription procurement costs and book promotion costs, and for all plant assets put into service in 1971 and thereafter adopted the straight-line method of calculating depreciation and the deferral method of accounting for investment credits.

In our opinion, the above mentioned Consolidated Financial Statements examined by us present fairly the financial position of The Washington Post Company and subsidiaries at January 3, 1971 and January 2, 1972, the changes in their financial position for each of the years then ended and the results of their operations for the five years ended January 2, 1972 in conformity with generally accepted accounting principles consistently applied, except for the aforementioned changes, which we approve.

Price Waterhouse & Co
PRICE WATERHOUSE & CO.

Washington, D. C.
February 11, 1972

THE WASHINGTON POST COMPANY

CONSOLIDATED BALANCE SHEETS

ASSETS

	January 3, 1971	January 2, 1972
Current assets		
Cash and time deposits	$ 9,037,000	$ 10,268,000
Commercial promissory notes at amortized cost which approximates market value	11,409,000	15,224,000
Accounts receivable, less estimated returns, doubtful accounts and allowances of $2,260,000 and $2,342,000 (Schedule XII)	19,893,000	19,992,000
Inventories, at lower of average cost or market (Note B)	3,719,000	4,641,000
Prepaid expenses and other	1,664,000	2,012,000
	45,722,000	52,137,000
Investments in affiliates (Notes A and C)		
Bowaters Mersey Paper Company Limited	8,839,000	8,834,000
Other	1,710,000	1,736,000
	10,549,000	10,570,000
Plant assets, at cost less accumulated depreciation and amortization (Notes A and D, Schedules V and VI)	30,190,000	41,115,000
Goodwill and other intangibles (Note A and Schedule VII)	37,240,000	37,517,000
Deferred charges and other assets		
Investment in income producing property, at cost less accumulated depreciation of $310,000 and $347,000 (Schedules V and VI)	1,598,000	1,561,000
Deferred charges and other assets—including prepaid income taxes of $1,985,000 at January 3, 1971 (Note E)	4,533,000	2,792,000
	6,131,000	4,353,000
	$129,832,000	$145,692,000

THE WASHINGTON POST COMPANY

CONSOLIDATED BALANCE SHEETS

LIABILITIES AND SHAREHOLDERS' EQUITY

	January 3, 1971	January 2, 1972
Current liabilities		
Accounts payable and accrued expenses	$ 15,388,000	$ 17,368,000
Dividends payable	200,000	—
Federal and state income taxes	1,851,000	735,000
Contributions due to employee benefit trust funds (Notes A and H)	1,994,000	837,000
Current portion of long-term debt (Note F)	3,313,000	797,000
	22,746,000	19,737,000
Other liabilities (Notes A and H)	5,491,000	5,467,000
Long-term debt (Note F)	39,872,000	38,033,000
Deferred subscription income less related magazine subscription procurement costs of $10,496,000 at January 2, 1972 (Note A)	17,521,000	7,900,000
Deferred income taxes (Note E)	—	3,891,000
Minority interest in subsidiary company	248,000	313,000
Shareholders' equity (Note G)		
Preferred stock		
$100 par value, authorized 50,000 shares; 5,500 shares issued and outstanding	550,000	—
$1 par value, authorized 1,000,000 shares	—	—
Common stock		
Class A Common stock, $1 par value, authorized 1,000,000 shares, 763,440 shares issued and outstanding	763,000	763,000
Class B Common stock, $1 par value, authorized 10,000,000 shares; 3,968,160 and 4,304,040 shares issued; 3,058,980 and 3,993,257 shares outstanding	3,968,000	4,304,000
Capital in excess of par value	5,160,000	10,079,000
Retained earnings (Note F)	49,166,000	60,052,000
Less: Cost of 909,180 and 310,783 shares of Class B Common stock held in Treasury	(15,653,000)	(4,847,000)
	43,954,000	70,351,000
Commitments and Contingencies (Note I)		
	$129,832,000	$145,692,000

THE WASHINGTON POST COMPANY

CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION

	Fiscal Year Ended	
	January 3, 1971	January 2, 1972
Sources of working capital		
Operations		
Income before extraordinary items and special credit	$ 5,772,000	$ 6,784,000
Charges to income not requiring current outlay of working capital:		
Depreciation and amortization of plant assets	2,776,000	2,436,000
Amortization of deferred film cost	1,162,000	1,306,000
Provisions for deferred compensation and Circulation Dealers Incentive Plan	923,000	192,000
Loss on retirement of plant assets	295,000	104,000
Income tax timing differences relating to current period deferral of magazine subscription procurement and book promotion costs		750,000
Other	(79,000)	58,000
Working capital provided by operations	10,849,000	11,630,000
Extraordinary items	(853,000)	387,000
Less charges not requiring current outlay of working capital:		
Abandonment of plant assets	1,327,000	
Expiration of land purchase option	197,000	
Related income taxes	(770,000)	
	(99,000)	387,000
Special credit—cumulative effect on years prior to 1971 of changes in accounting methods for magazine subscription procurement and book promotion costs		4,586,000
Less deferral of magazine subscription procurement costs related to years prior to 1971 not requiring current outlay of working capital		(9,368,000)
Deferred income taxes related to special credit		5,068,000
		286,000
Working capital provided by operations, extraordinary items and special credit	10,750,000	12,303,000
Increase in long-term debt	8,101,000	8,222,000
Increase in deferred subscription income	1,148,000	875,000
Proceeds from issuance of Class B common stock:		
Stock options	1,252,000	929,000
Public offering and sales to employees		15,025,000
Newsweek Employees Savings Plan Trust		58,000
Other	76,000	118,000
	21,327,000	37,530,000
Uses of working capital		
Purchase of		
Treasury stock	4,071,000	530,000
Plant assets	8,343,000	13,748,000
Television film rights	1,027,000	1,449,000
Reduction of long-term debt	3,228,000	10,061,000
Increase in deferred magazine subscription procurement costs		1,128,000
Dividends on Common and Preferred Stock	814,000	871,000
Other	123,000	319,000
	17,606,000	28,106,000
Net increase in working capital	$ 3,721,000	$ 9,424,000
Changes in Composition of Working Capital		
Increase (decrease) in current assets		
Cash and time deposits	$ 2,645,000	$ 1,231,000
Commercial promissory notes	3,943,000	3,815,000
Accounts receivable	(936,000)	99,000
Inventories	381,000	922,000
Prepaid expenses and other	191,000	348,000
	6,224,000	6,415,000
(Increase) decrease in current liabilities		
Accounts payable and accrued expenses	(1,279,000)	(1,980,000)
Account payable associated with prior year acquisition	1,130,000	
Dividend payable	(3,000)	200,000
Federal and state income taxes	399,000	1,116,000
Contributions due to employee benefit trust funds	(627,000)	1,157,000
Current portion of long-term debt	(2,123,000)	2,516,000
	(2,503,000)	3,009,000
Net increase in working capital	$ 3,721,000	$ 9,424,000

THE WASHINGTON POST COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

A. Summary of Accounting Policies

Principles of Consolidation. The accompanying financial statements include the accounts of all subsidiaries, and significant intercompany transactions have been eliminated. The Company reports on a 52-53 week fiscal year ending on the Sunday nearest December 31. The subsidiaries, however, report on the calendar year.

At January 3, 1971 and January 2, 1972, the Company's equity in the net assets of its consolidated subsidiaries exceeded the cost of the investment therein by $9,033,000 and $17,259,000. These amounts are reflected in the respective consolidated balance sheets to the extent of $9,308,000 and $17,534,000 in "Retained Earnings" less $275,000 in "Goodwill and other intangibles."

Investments in Affiliates. In 1971 the Company adopted the equity method of accounting for its 49 per cent investment in Bowaters Mersey Paper Company Limited. The accompanying financial statements have been restated to give retroactive effect to this change for years prior to 1971. Other investments in affiliates are also accounted for by the equity method.

Plant Assets and Depreciation. Plant depreciation is accounted for at annual rates based upon the estimated service lives of assets, using both accelerated and straight-line methods for calculating depreciation. Useful lives of 3 to 11 years are used for machinery and equipment, 20 to 50 years for buildings and 5 to 20 years for land improvements. Leasehold improvements are amortized over the remaining lives of the leases. For assets acquired prior to 1971 depreciation was calculated on one or another of these methods for financial reporting purposes. For all plant assets acquired in 1971 and future years the Company has adopted only the straight-line method of calculating depreciation for financial reporting purposes. The Company believes this change will provide for financial reporting purposes a better allocation of depreciation expenses to the period benefited. The change had no significant effect on income or financial position for the periods presented. Accelerated methods of calculating depreciation have been and will continue to be used for income tax purposes.

Expenditures for maintenance, repairs and renewals are charged against income. Betterments are capitalized. The cost of assets retired or otherwise disposed of and the related accumulated depreciation are removed from the accounts in the year of disposal, and any losses or gains that result are reflected in the income statement. In connection with the newspaper plant expansion program in progress, provision was made in 1970 for the estimated loss on assets scheduled to be retired in 1971 and 1972 and for the related estimated cost of demolition.

Deferred Film and Book Promotion Costs. The broadcasting subsidiaries are parties to agreements which entitle them to show motion pictures and syndicated programs on television. The costs of these rights and the liabilities for future payments under these agreements are not reflected in the balance sheets. Instead, the costs of these rights are charged to expense as films are shown, using accelerated amortization rates for motion pictures and straight-line amortization rates for syndicated programs. Payments for film rights in excess of accrued amortization are included in "Deferred charges and other assets" in the Consolidated Balance Sheets.

In 1970 and prior years book promotion costs were charged to expense as incurred. In 1971 the Company changed its accounting method to defer these costs and amortize them over the twelve-month period following the dates when the costs are incurred.

Deferred Income. Amounts received from subscribers in advance of deliveries are deferred and recorded as income when deliveries are made to subscribers.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

In 1970 and prior years all costs in connection with the procurement of magazine subscriptions were charged to expense as incurred. In 1971 the Company changed its accounting method with respect to magazine subscription procurement costs to defer these costs and amortize them over the lives of the related magazine subscriptions.

Goodwill. "Goodwill and other intangibles" represent the excess of the cost of acquiring subsidiary companies over the related fair values of tangible assets at the dates of acquisition. The Company considers the "Goodwill and other intangibles" to be assets of indefinite life and does not intend to amortize them.

"Goodwill and other intangibles" previously reported at January 3, 1971 has been increased by $912,000 as a result of the retroactive application of the equity method of accounting for the investment in Bowaters Mersey Paper Company Limited. During 1971 agreement was reached with the Internal Revenue Service concerning allocation of the purchase price of a subsidiary acquired in a prior year, resulting in an addition of $282,000 to "Goodwill and other intangibles."

Foreign Operations. For balance sheet purposes foreign currency assets and liabilities have been translated into U. S. dollars at current market rates of exchange, while for income statement purposes, transactions in foreign currencies have been reported on the basis of average annual rates of exchange.

Retirement Plans. The Company and its subsidiaries contribute to various pension, incentive savings and profit sharing plans which cover full-time employees who have prescribed periods of service. In general, the accrued costs and liabilities of these plans are currently provided for and fully funded. Newspaper dealers who have prescribed periods of service participate in an unfunded Circulation Dealers Profit Incentive Plan, the accrued costs of which are charged to current expense.

In addition, the Company guarantees minimum retirement income benefits that require supplemental payments to certain participants in the Company's profit sharing and newspaper dealer profit incentive plans. These supplemental payments, which are not material in amount, are charged to expense as paid.

B. Inventories

The inventories used in determining the costs and expenses for the two years ended January 2, 1972 were as follows:

	December 28, 1969	January 3, 1971	January 2, 1972
Newsprint	$ 256,000	$ 557,000	$1,200,000
Magazine paper	2,311,000	2,342,000	2,037,000
Books	342,000	366,000	906,000
Other materials	429,000	454,000	498,000
	$3,338,000	$3,719,000	$4,641,000

C. Investments in Affiliates

Bowaters Mersey Paper Company Limited. The investment in Bowaters Mersey Paper Company Limited consists of 49 per cent of the common shares. Condensed statements of financial position and income of that company for 1970 and 1971, stated in Canadian Dollars, are set forth below:

Condensed Statements of Financial Position	December 31, 1970	December 31, 1971
Current assets	$13,260,000	$13,680,000
Less current liabilities	(7,374,000)	(7,136,000)
Working capital	5,886,000	6,544,000
Fixed assets, net	29,681,000	27,162,000
Other assets	639,000	495,000
Long-term debt	(6,568 000)	(5,208,000)
Other liabilities	(5,362,000)	(5,108,000)
Shareholders' equity, including $4,562,000 and $4,408,000 applicable to Preferred Shares	$24,276,000	$23,885,000

Condensed Statements of Income	1970	1971
Sales and other income	$27,132,000	$28,193,000
Costs and expenses	23,949,000	26,129,000
Income before income taxes	3,183,000	2,064,000
Income taxes	1,682,000	1,051,000
Net income	1,501,000	1,013,000
Preferred dividend requirements	255,000	245,000
Net income applicable to common shares	$ 1,246,000	$ 768,000

In 1971 (see Note A and Note 4 to the Consolidated Statements of Income) the Company adopted the equity method of accounting for its investment in Bowaters Mersey Paper Company Limited. In prior years this investment was carried at cost. The financial information for prior periods presented in the accompanying financial statements has been retroactively restated to reflect the equity method. The restatement increased previously reported retained earnings at December 28, 1969 by $1,352,000. The investment is reflected in the Consolidated Balance Sheets as follows:

	January 3, 1971	January 2, 1972
Cost of investment	$ 8,354,000	$ 8,354,000
Less amount included in Consolidated Goodwill	912,000	912,000
Equity in net assets at date of acquisition	7,442,000	7,442,000
Increase in equity in net assets since date of acquisition	1,397,000	1,392,000
	$ 8,839,000	$ 8,834,000

Dividends received from Bowaters Mersey Paper Company Limited are subject to both Canadian non-resident withholding tax and United States income tax, but the Company has received substantially full tax credit against its United States tax liability for the Canadian income taxes withheld and deemed to have been paid.

Other Investments. The Company has a 27 per cent interest in a joint venture for the publication in Paris of the *International Herald Tribune* and a 50 per cent interest in a joint venture which operates the *Los Angeles Times-Washington Post News Service.* Both of these investments are accounted for by the equity method.

D. Plant Assets

Plant assets consist of the following:

	January 3, 1971	January 2, 1972
Land	$ 6,416,000	$ 6,403,000
Buildings	14,160,000	16,258,000
Leasehold improvements	2,378,000	2,378,000
Machinery, equipment and fixtures	24,518,000	25,549,000
Construction in progress	7,046,000	16,323,000
Less—accumulated depreciation and amortization	(24,328,000)	(25,796,000)
	$ 30,190,000	$ 41,115,000

E. Income Tax Timing Differences

Income tax timing differences arise when income or expense is reported for financial purposes in a different period than for income tax purposes. These differences, depending on their nature, are reported either as "Prepaid income taxes" (when the cumulative net effect is a greater amount of income for tax purposes than for financial reporting purposes), or as "Deferred income taxes" (when the cumulative net effect is an excess of book income over taxable income). At January 3, 1971 the Company's accounts reflected prepaid income taxes of $1,985,000. Principally as a result of the Company's change in 1971 in its methods of accounting for costs of magazine subscription procurement and book promotion, which produced an accrual of $5,818,000 as "Deferred income taxes", the Company's accounts at January 2, 1972 reflected "Deferred income taxes" of $3,891,000.

F. Long-Term Debt and Restrictions on Dividends

Long-term debt consists principally of unsecured promissory notes, many of which require payments each year to maturity. The amounts due within one year, $3,313,000 at January 3, 1971 and $797,000 at January 2, 1972, are included in current liabilities. The composition of long-term debt is:

Interest Rates	Final Maturity	January 3, 1971	January 2, 1972
6.95%	1973-1987	$25,000,000	$33,000,000
4.00%	1977	3,480,000	3,205,000
5-5.75%	1981	2,825,000	2,625,000
Various—paid in full in 1971		11,880,000	
		$43,185,000	$38,830,000

The agreement relating to the 6.95% Promissory Notes contains restrictive provisions which relate principally to the payment of dividends and the redemption or purchase of the Company's capital stock. At the respective year-ends, retained earnings unrestricted by these provisions were $3,030,000 and $25,361,000. Principal repayments on the 6.95% Promissory Notes are due as follows: $1,000,000 in each of the years 1973 and 1974; $2,250,000 in each of the years 1975 to 1986; and $4,000,000 in 1987.

The 4% Serial Promissory Notes are payable in Canadian currency in annual installments of $536,000 to April 1, 1977. As security the Company has pledged its common shares of Bowaters Mersey Paper Company Limited.

At January 2, 1972 maturities of long-term debt scheduled during each of the succeeding five years were as follows: 1972, $797,000; 1973, $1,797,000; 1974, $1,797,000; 1975, $3,047,000; 1976, $3,047,000.

G. Capital Stock and Stock Options

There are two classes of common stock, Class A Common Stock and Class B Common Stock. In 1971 all the remaining outstanding Preferred Stock was converted into Class B Common Stock. In June 1971, a recapitalization plan was adopted which (1) authorized 1,000,000 shares of $1 par value Preferred Stock in place of the previously authorized $100 par value Preferred Stock, (2) established the number of authorized shares of Class A Common Stock at 1,000,000 and the number of authorized shares of Class B Common Stock at 10,000,000 and (3) substituted a par value of $1 per share for the former $10 per share stated value of the common stock and split the issued shares of both classes of common stock 60 for 1. The Class B Common Stock has limited voting rights, including the right to elect 30 per cent of the Board of Directors. The Class A Common Stock has full voting rights and is entitled to elect the balance of the Board of Directors. The recapitalization has been given retroactive effect in the accompanying consolidated financial statements.

In June and July 1971 the Company sold 621,375 shares of its Class B Common Stock to the public and certain employees for net proceeds of $15,025,000. Of such amount, $9,658,000 was used to prepay indebtedness.

Prior to 1964 the Company granted to certain officers and key employees restricted stock options to purchase shares of Class B Common Stock at not less than 95 per cent of the fair value of the shares at the dates of grant, such value having been calculated in each case according to a formula designed to yield the fair value of the shares. All of these options were exercised prior to the public sale referred to above. Options exercised during the two years presented and the option prices and formula values of the shares at the dates the options were exercised are as follows:

Options Exercised		Option Price		Formula Value At Date of Exercise	
Fiscal Year Ended	Shares	Per Share	Total	Per Share	Total
January 3, 1971 . . .	233,160	$5.00-$6.17	$1,252,000	$19.55	$4,558,000
January 2, 1972 . . .	185,880	$5.00	$ 929,000	$19.25	$3,578,000

In 1971 the Company adopted a Stock Option Plan and reserved 350,000 shares of Class B Common Stock for options to be granted under the Plan. The purchase price of the shares covered by an option must be equal to their fair market value on the granting date. Options may be granted for a term of up to ten years. At January 2, 1972 there were outstanding options for the purchase of 275,575 shares of Class B Common Stock at a price of $26 per share, and 12,000 shares at a price of $25.07 per share. Certain of these options were granted in substitution for Class B Common Stock equivalents embodied in deferred compensation agreements entered into in prior years. None of the options were exercisable in 1971.

When an option is exercised, the par value of the shares issued is credited to the Class B Common Stock account and the excess of the option price over the par value is credited to capital in excess of par value. No charges have been made to income in accounting for stock options.

H. Retirement Plans

Liability under the Company's Circulation Dealers Profit Incentive Plan (see Note A), amounting to $2,638,000 at January 3, 1971 and $2,991,000 at January 2, 1972, is included in "Other liabilities" in the Company's Consolidated Balance Sheets.

Total expense under the Company's retirement plans (see Note A) was $2,673,000 for 1970 and $2,653,000 for 1971.

I. Commitments and Contingencies

The Company leases certain properties under agreements which extend for periods of more than three years and provide for aggregate annual rental payments approximating $1,273,000. Certain leases obligate the Company to pay taxes, insurance and maintenance and most have renewal options.

The Company is also contingently liable for payments under employment contracts and for claims and lawsuits arising in the ordinary course of business.

In connection with the newspaper plant expansion program, the Company had commitments of $14,100,000 at January 3, 1971 and $5,700,000 at January 2, 1972 and expected to commit additional amounts of $4,800,000 and $3,700,000 at the respective dates.

Under the agreements for the right to use motion pictures and syndicated programs, the Company was committed to future payments for such rights of $2,483,000 at December 31, 1970 and $2,738,000 at December 31, 1971, with $984,000 and $1,348,000 being payable within one year of the respective dates.

J. Supplementary Profit and Loss Information

The following items have been charged to costs and expenses:

	Fiscal Year Ended	
	January 3, 1971	January 2, 1972
Maintenance and repairs	$1,086,000	$ 937,000
Taxes other than income taxes:		
Property	782,000	820,000
Payroll	1,703,000	1,995,000
Other	64,000	117,000
Rents	2,257,000	2,762,000
Royalties (amortization of television film costs)	1,162,000	1,306,000

There were no management and service contract fees for the above periods.

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THE WASHINGTON POST COMPANY

SCHEDULE V—PROPERTY, PLANT AND EQUIPMENT

Column A	Column B	Column C	Column D	Column E	Column F
Classification	Balance at beginning of period	Additions at cost	Retirements or sales	Other	Balance at end of period
Year Ended January 3, 1971					
Plant Assets					
Machinery, equipment and fixtures	$23,686,000	$ 2,204,000	$ 1,272,000	$ (100,000)(A)	$24,518,000
Leasehold improvements	1,710,000	735,000	67,000		2,378,000
Buildings	14,646,000	51,000		(537,000)(A)	14,160,000
Construction in progress	1,851,000	5,353,000		(158,000)(A)	7,046,000
Land	2,488,000			3,928,000 (B)	6,416,000
	44,381,000	8,343,000	1,339,000	3,133,000	54,518,000
Other Assets					
Building	844,000			(24,000)(A)	820,000
Land	5,050,000			(34,000)(A)	
				(3,928,000)(B)	1,088,000
	5,894,000			(3,986,000)	1,908,000
	$50,275,000	$ 8,343,000	$ 1,339,000	$ (853,000)	$56,426,000
Year Ended January 2, 1972					
Plant Assets					
Machinery, equipment and fixtures	$24,518,000	$ 1,170,000	$ 786,000	$ 647,000 (C)(D)	$25,549,000
Leasehold improvements	2,378,000	221,000	210,000	(11,000)(E)	2,378,000
Buildings	14,160,000	35,000	76,000	2,139,000 (C)(D)	16,258,000
Construction in progress	7,046,000	12,322,000		(3,045,000)(C)	16,323,000
Land	6,416,000			(13,000)(D)	6,403,000
	54,518,000	13,748,000	1,072,000	(283,000)	66,911,000
Other Assets					
Building	820,000				820,000
Land	1,088,000				1,088,000
	1,908,000				1,908,000
	$56,426,000	$13,748,000	$ 1,072,000	$ (283,000)	$68,819,000

(A) Abandonment of plant assets including reserves for cost less accumulated depreciation of assets to be retired in 1971 and 1972 (Equipment $20,000 and Buildings $437,000) in connection with the newspaper plant expansion program. (Schedule XII)
(B) Cost of land associated with construction project.
(C) Costs of completed construction transferred to related accounts.
(D) Adjustment to purchase cost of Robinson Terminal Warehouse Corp. assets resulting from settlement with Internal Revenue Service (Equipment $69,000 and Buildings $184,000). (Schedule VII)
(E) Reclassification of consolidating adjustment. (Schedule VII)

SCHEDULE VI

THE WASHINGTON POST COMPANY

SCHEDULE VI—RESERVES FOR DEPRECIATION AND AMORTIZATION OF PROPERTY, PLANT AND EQUIPMENT

Column A	Column B	Column C	Column D	Column F
		Additions	Deductions	
Description	Balance at beginning of period	Charged to profit and loss	Retirements, renewals and replacements	Balance at close of period
Year Ended January 3, 1971				
Plant Assets				
Machinery, equipment and fixtures	$15,934,000	$2,022,000	$1,125,000	$16,831,000
Leasehold improvements	539,000	231,000	31,000	739,000
Buildings	6,281,000	523,000	46,000	6,758,000
	22,754,000	2,776,000	1,202,000	24,328,000
Other Assets				
Building	309,000	42,000(A)	41,000	310,000
	$23,063,000	$2,818,000	$1,243,000	$24,638,000
Year Ended January 2, 1972				
Plant Assets				
Machinery, equipment and fixtures	$16,831,000	$1,815,000	$ 682,000	$17,964,000
Leasehold improvements	739,000	250,000	210,000	779,000
Buildings	6,758,000	371,000	76,000	7,053,000
	24,328,000	2,436,000	968,000	25,796,000
Other Assets				
Building	310,000	37,000(A)		347,000
	$24,638,000	$2,473,000	$ 968,000	$26,143,000

(A) Charged to "Other deductions".

SCHEDULE VII

THE WASHINGTON POST COMPANY

SCHEDULE VII—INTANGIBLE ASSETS

Column A	Column B	Column C	Column D	Column F
Description	Balance at beginning of period	Additions	Charged to profit and loss	Balance at close of period
Year Ended January 3, 1971				
Goodwill and other intangibles	$37,025,000(A)			$37,025,000
Leasehold interest	217,000		$ 2,000(B)	215,000
Land purchase option	197,000		197,000(C)	
	$37,439,000		$199,000	$37,240,000
Year Ended January 2, 1972				
Goodwill and other intangibles	$37,025,000	$282,000(D)	$ 10,000(E)	$37,297,000
Leasehold interest	215,000	11,000(F)	6,000(B)	220,000
	$37,240,000	$293,000	$ 16,000	$37,517,000

(A) Previously reported	$36,113,000
Adjustment to equity method of accounting for investment in Bowaters Mersey Paper Company Limited	912,000
Adjusted balance	$37,025,000

(B) Amortization of leasehold interest.

(C) Expiration of land purchase option.

(D) Adjustment of purchased goodwill of Robinson Terminal Warehouse Corp. as result of settlement with Internal Revenue Service. (Schedule V)

(E) Charitable donation of FM broadcast facilities.

(F) Reclassification of consolidating adjustment.

THE WASHINGTON POST COMPANY

SCHEDULE XII—RESERVES

Description	Balance at beginning of period	Charged to profit and loss	Deductions from reserves	Balance at close of period
Year Ended January 3, 1971				
Allowance for doubtful accounts and returns	$1,193,000	$2,126,000	$1,674,000	$1,645,000
Allowance for advertising rate adjustments and discounts	610,000	999,000	994,000	615,000
	1,803,000	3,125,000	2,668,000	2,260,000
Provision for estimated loss on retirement of plant and estimated cost of demolition thereon in connection with newspaper plant expansion program		1,095,000		1,095,000
	$1,803,000	$4,220,000	$2,668,000	$3,355,000
Year Ended January 2, 1972				
Allowance for doubtful accounts and returns	$1,645,000	$2,482,000	$2,476,000	$1,651,000
Allowance for advertising rate adjustments and discounts	615,000	1,166,000	1,090,000	691,000
	2,260,000	3,648,000	3,566,000	2,342,000
Provision for estimated loss on retirement of plant and estimated cost of demolition thereon in connection with newspaper plant expansion program	1,095,000		588,000	507,000
	$3,355,000	$3,648,000	$4,154,000	$2,849,000

SCHEDULE XVII

THE WASHINGTON POST COMPANY

SCHEDULE XVII—INCOME FROM DIVIDENDS—EQUITY IN NET PROFIT OR LOSS OF AFFILIATES

	Fiscal Year Ended	
	January 3, 1971	January 2, 1972
Cash Dividends:		
Bowaters Mersey Paper Company Limited	$489,000	$510,000
Equity in net profit or (loss) for the period		
Bowaters Mersey Paper Company Limited	$504,000	$484,000
Other investments	$ (5,000)[1]	$ 25,000
Total	$499,000	$509,000

END