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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

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

For the Quarterly Period Ended October 3, 2010

or

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

Commission File Number 1-6714

THE WASHINGTON POST COMPANY
(Exact name of registrant as specified in its charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**53-0182885** **(I.R.S. Employer Identification No.)**
1150 15th Street, N.W. Washington, D.C. **(Address of principal executive offices)**	**20071** **(Zip Code)**

(202) 334-6000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒. No ☐.

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒. No ☐.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "large accelerated filer," accelerated filer" and "small reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐. No ☒.

Shares outstanding at November 5, 2010:

Class A Common Stock	1,240,883 Shares
Class B Common Stock	7,205,624 Shares

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

The Washington Post Company

Condensed Consolidated Statements of Operations
(Unaudited)

(In thousands, except per share amounts)	Thirteen Weeks Ended October 3, 2010	Thirteen Weeks Ended September 27, 2009	Thirty-Nine Weeks Ended October 3, 2010	Thirty-Nine Weeks Ended September 27, 2009
Operating revenues				
Education	$ 743,319	$ 684,516	$2,202,024	$ 1,927,369
Advertising	200,532	179,804	591,955	549,187
Circulation and subscriber	212,376	211,773	641,803	630,427
Other	33,496	32,701	97,784	93,290
	1,189,723	1,108,794	3,533,566	3,200,273
Operating costs and expenses				
Operating	476,918	461,867	1,420,022	1,399,462
Selling, general and administrative	487,183	471,249	1,484,479	1,422,789
Depreciation of property, plant and equipment	61,049	68,897	183,780	228,979
Amortization of intangible assets	6,521	6,767	20,641	20,606
Impairment of goodwill and other long-lived assets	27,477	25,387	27,477	25,387
	1,059,148	1,034,167	3,136,399	3,097,223
Operating income	130,575	74,627	397,167	103,050
Other income (expense)				
Equity in earnings (losses) of affiliates	2,140	(27,192)	(3,942)	(28,160)
Interest income	600	555	1,525	1,838
Interest expense	(7,633)	(7,533)	(22,810)	(23,114)
Other, net	12,486	103	3,995	15,779
Income from continuing operations before income taxes	138,168	40,560	375,935	69,393
Provision for income taxes	56,800	14,600	148,100	25,000
Income from continuing operations	81,368	25,960	227,835	44,393
Loss from discontinued operations, net of tax	(20,292)	(8,894)	(28,804)	(35,442)
Net income	61,076	17,066	199,031	8,951
Net loss attributable to noncontrolling interests	76	214	96	2,108
Net income attributable to The Washington Post Company	61,152	17,280	199,127	11,059
Redeemable preferred stock dividends	(230)	(230)	(922)	(928)
Net income available for The Washington Post Company common stockholders	$ 60,922	$ 17,050	$ 198,205	$ 10,131
Amounts attributable to The Washington Post Company common stockholders:				
Income from continuing operations	$ 81,214	$ 25,944	$ 227,009	$ 45,573
Loss from discontinued operations, net of tax	(20,292)	(8,894)	(28,804)	(35,442)
Net income available for The Washington Post Company common stockholders	$ 60,922	$ 17,050	$ 198,205	$ 10,131
Per share information attributable to The Washington Post Company common stockholders:				
Basic income per common share from continuing operations	$ 9.14	$ 2.76	$ 24.94	$ 4.85
Basic loss per common share from discontinued operations	(2.29)	(0.95)	(3.17)	(3.77)
Basic net income per common share	$ 6.85	$ 1.81	$ 21.77	$ 1.08
Basic average number of common shares outstanding	8,839	9,340	9,047	9,340
Diluted income per common share from continuing operations	$ 9.12	$ 2.76	$ 24.91	$ 4.85
Diluted loss per common share from discontinued operations	(2.28)	(0.95)	(3.16)	(3.77)
Diluted net income per common share	$ 6.84	$ 1.81	$ 21.75	$ 1.08
Diluted average number of common shares outstanding	8,904	9,401	9,113	9,400

The Washington Post Company

Condensed Consolidated Statements of Comprehensive Income
(Unaudited)

(In thousands)	Thirteen Weeks Ended October 3, 2010	Thirteen Weeks Ended September 27, 2009	Thirty-Nine Weeks Ended October 3, 2010	Thirty-Nine Weeks Ended September 27, 2009
Net income	$ 61,076	$ 17,066	$ 199,031	$ 8,951
Other comprehensive income (loss)				
Foreign currency translation adjustment	19,422	11,903	5,556	31,020
Change in unrealized gain on available-for-sale securities	5,731	41,721	11,094	40,141
Pension and other postretirement plan adjustments	(363)	(54)	(3,759)	(149)
	24,790	53,570	12,891	71,012
Income tax expense related to other comprehensive income	(2,444)	(18,227)	(3,872)	(18,188)
	22,346	35,343	9,019	52,824
Comprehensive income	83,422	52,409	208,050	61,775
Comprehensive (income) loss attributable to noncontrolling interests	(1)	219	32	2,108
Total comprehensive income attributable to The Washington Post Company	$ 83,421	$ 52,628	$ 208,082	$ 63,883

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The Washington Post Company

Condensed Consolidated Balance Sheets

(In thousands)	October 3, 2010 (Unaudited)	January 3, 2010
Assets		
Current assets		
Cash and cash equivalents	$ 577,875	$ 477,673
Investments in marketable equity securities and other investments	399,468	385,001
Accounts receivable, net	402,060	430,669
Deferred income taxes	10,779	14,633
Inventories	5,638	16,019
Other current assets	63,905	64,069
Total current assets	1,459,725	1,388,064
Property, plant and equipment, net	1,184,615	1,239,692
Investments in affiliates	44,994	54,722
Goodwill, net	1,371,920	1,423,462
Indefinite-lived intangible assets, net	530,662	540,012
Amortized intangible assets, net	63,055	71,314
Prepaid pension cost	407,194	409,445
Deferred charges and other assets	60,042	59,495
Total assets	$ 5,122,207	$ 5,186,206
Liabilities and Equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 623,171	$ 555,478
Income taxes payable	7,886	8,048
Deferred revenue	452,953	422,998
Dividends declared	21,002	—
Short-term borrowings	3,000	3,059
Total current liabilities	1,108,012	989,583
Postretirement benefits other than pensions	66,807	73,672
Accrued compensation and related benefits	220,161	210,640
Other liabilities	120,172	134,783
Deferred income taxes	401,293	422,838
Long-term debt	396,547	396,236
Total liabilities	2,312,992	2,227,752
Redeemable noncontrolling interest	6,767	6,907
Redeemable preferred stock	11,526	11,526
Preferred stock	—	—
Common shareholders’ equity		
Common stock	20,000	20,000
Capital in excess of par value	247,853	241,435
Retained earnings	4,439,577	4,324,289
Accumulated other comprehensive income (loss)		
Cumulative foreign currency translation adjustment	32,695	27,010
Unrealized gain on available-for-sale securities	85,148	78,492
Unrealized loss on pensions and other postretirement plans	(4,312)	(990)
Cost of Class B common stock held in treasury	(2,030,039)	(1,750,686)
Total The Washington Post Company common shareholders’ equity	2,790,922	2,939,550
Noncontrolling interests	—	471
Total equity	2,790,922	2,940,021
Total liabilities and equity	$ 5,122,207	$ 5,186,206

The Washington Post Company

Condensed Consolidated Statements of Cash Flows
(Unaudited)

(In thousands)	Thirty-Nine Weeks Ended October 3, 2010	Thirty-Nine Weeks Ended September 27, 2009
Cash flows from operating activities:		
Net income	$ 199,031	$ 8,951
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation of property, plant and equipment	188,451	231,651
Amortization of intangible assets	20,641	20,606
Goodwill and other long-lived asset impairment charges	27,477	25,387
Net pension benefit	(2,122)	(5,206)
Multiemployer pension plan withdrawal charge	20,355	—
Early retirement program expense	—	64,541
Foreign exchange gain	(4,824)	(18,429)
Net loss on sales of businesses	11,824	—
Equity in losses of affiliates, including impairment charges, net of distributions	3,942	28,160
Benefit for deferred income taxes	(21,391)	(22,253)
Net loss on sale or write-down of property, plant and equipment and other assets	11,621	16,890
Change in assets and liabilities:		
Decrease in accounts receivable, net	9,555	72,552
Decrease in inventories	7,917	15,154
Increase (decrease) in accounts payable and accrued liabilities	2,832	(15,604)
(Decrease) increase in Kaplan stock compensation	(1,310)	5,155
Increase in deferred revenue	41,825	64,674
Decrease in income taxes payable	(110)	(7,288)
Increase in other assets and other liabilities, net	27,567	16,924
Other	186	1,772
Net cash provided by operating activities	543,467	503,637
Cash flows from investing activities:		
Purchases of property, plant and equipment	(159,167)	(183,036)
Net proceeds from sales of businesses	23,064	—
Proceeds from sale of property, plant and equipment and other assets	15,418	3,481
Investments in marketable equity securities and other investments	(6,764)	(11,105)
Investments in certain businesses, net of cash acquired	(3,626)	(8,134)
Return of escrow funds from acquisition	—	4,667
Return of investment in affiliates	998	4,321
Other	(293)	712
Net cash used in investing activities	(130,370)	(189,094)
Cash flows from financing activities:		
Common shares repurchased	(277,053)	(1,371)
Dividends paid	(62,855)	(61,332)
Principal payments on debt	—	(400,787)
Issuance of notes, net	—	395,329
Repayments of commercial paper, net	—	(149,983)
Other	25,216	6,460
Net cash used in financing activities	(314,692)	(211,684)
Effect of currency exchange rate change	1,797	7,267
Net increase in cash and cash equivalents	100,202	110,126
Beginning cash and cash equivalents	477,673	390,509
Ending cash and cash equivalents	$ 577,875	$ 500,635

The Washington Post Company

Notes to Condensed Consolidated Financial Statements
(Unaudited)

Note 1: Organization, Basis of Presentation and Recent Accounting Pronouncements

The Washington Post Company, Inc. (the "Company") is a diversified education and media company. The Company's Kaplan subsidiary provides a wide variety of educational services, both domestically and outside the United States. The Company's media operations consist of the ownership and operation of cable television systems, newspaper publishing (principally The Washington Post), and television broadcasting (through the ownership and operation of six television broadcast stations).

The Company announced on August 2, 2010 that it had entered into an agreement to sell Newsweek. On September 30, 2010, the Company completed such sale. The operating results of Newsweek have been presented in loss from discontinued operations, net of tax, for all periods presented.

Financial Periods – The Company generally reports on a thirteen week fiscal quarter ending on the Sunday nearest the calendar quarter-end. The fiscal quarters for 2010 and 2009 ended on October 3, 2010, July 4, 2010, April 4, 2010, September 27, 2009, June 28, 2009 and March 29, 2009, respectively. With the exception of the newspaper publishing operations and the corporate office, subsidiaries of the Company report on a calendar-quarter basis.

Basis of Presentation – The accompanying condensed consolidated financial statements have been prepared in accordance with: (i) generally accepted accounting principles in the United States of America ("GAAP") for interim financial information; (ii) the instructions to Form 10-Q; and (iii) the guidance of Rule 10-01 of Regulation S-X under the Securities and Exchange Act of 1934, as amended, for financial statements required to be filed with the Securities and Exchange Commission ("SEC"). They include the assets, liabilities, results of operations and cash flows of the Company, including its domestic and foreign subsidiaries that are more than 50% owned or otherwise controlled by the Company. As permitted under such rules, certain notes and other financial information normally required by GAAP have been condensed or omitted. Management believes the accompanying condensed consolidated financial statements reflect all normal and recurring adjustments necessary for a fair presentation of the Company's financial position, results of operations, and cash flows as of and for the periods presented herein. The Company's results of operations for the thirteen and thirty-nine weeks ended October 3, 2010 and September 27, 2009 may not be indicative of the Company's future results. These condensed consolidated financial statements are unaudited and should be read in conjunction with the Company's audited consolidated financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 2010.

The year-end condensed consolidated balance sheet data was derived from audited financial statements, but does not include all disclosures required by GAAP.

Certain amounts in previously issued financial statements have been reclassified to conform to the current year presentation, which includes the reclassification of the results of operations of the magazine publishing segment as discontinued operations for all periods presented.

Use of Estimates in the Preparation of the Condensed Consolidated Financial Statements – The preparation of the condensed consolidated financial statements in conformity with GAAP requires management to make estimates and judgments that affect the amounts reported herein. Management bases its estimates and assumptions on historical experience and on various other factors that are believed to be reasonable under the circumstances. Due to the inherent uncertainty involved in making estimates, actual results reported in future periods may be affected by changes in those estimates.

Discontinued Operations – A business is classified as a discontinued operation when (i) the operations and cash flows of the business can be clearly distinguished and have been or will be eliminated from the Company's ongoing operations; (ii) the business has either been disposed of or is classified as held for sale; and (iii) the Company will not have any significant continuing involvement in the operations of the business after the disposal transactions. The results of discontinued operations (as well as the gain or loss on the disposal) are aggregated and separately presented in the Company's condensed consolidated statement of operations, net of income taxes. The assets and related liabilities are aggregated and separately presented in the Company's condensed consolidated balance sheet.

Assets Held for Sale – An asset or business is classified as held for sale when (i) management commits to a plan to sell the asset or business; (ii) the asset or business is available for immediate sale in its present condition; (iii) the asset or business is actively marketed for sale at a reasonable price; (iv) the sale is expected to be completed within one year; and (v) it is unlikely significant changes to the plan will be made or that the plan will be withdrawn. The assets and related liabilities are aggregated and reported separately in the Company's condensed consolidated balance sheet.

Recently Adopted and Issued Accounting Pronouncements – In October 2009, the Financial Accounting Standards Board ("FASB") issued new guidance that modifies the fair value requirement of multiple element revenue arrangements. The new guidance allows the use of the "best estimate of selling price" in addition to vendor-specific objective evidence ("VSOE") and third-party evidence ("TPE") for determining the selling price of a deliverable. A vendor is now required to use its best estimate of the selling price when VSOE or TPE of the selling price cannot be determined. In addition, the residual method of allocating arrangement consideration is no longer permitted. The guidance requires expanded qualitative and quantitative disclosures and is effective for

The Washington Post Company

Notes to Condensed Consolidated Financial Statements—(Continued)
(Unaudited)

revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010. Early application is permitted. The Company is not planning to early adopt the guidance and will continue evaluating the impact of this new guidance on its condensed consolidated financial statements.

In January 2010, the FASB issued additional disclosure requirements for fair value measurements. The guidance requires previous fair value hierarchy disclosures to be further disaggregated by class of assets and liabilities. A class is often a subset of assets or liabilities within a line item in the statement of financial position. In addition, significant transfers between Levels 1 and 2 of the fair value hierarchy are required to be disclosed. These additional requirements became effective for interim and annual periods beginning after December 15, 2009 and did not have an impact on the condensed consolidated financial statements of the Company. In addition, the fair value disclosure amendments also require more detailed disclosures of the changes in Level 3 instruments. These changes will not become effective until interim and annual periods beginning after December 15, 2010 and are not expected to have an impact on the condensed consolidated financial statements of the Company.

Note 2: Discontinued Operations

On September 30, 2010, the Company completed the sale of Newsweek magazine. Under the terms of the asset purchase agreement, the buyer assumed Newsweek's subscription obligations and received Newsweek's intellectual property, target working capital and selected equipment used in the business. The Company retained the pension assets and liabilities and certain employee obligations, including severance, and other liabilities arising prior to the sale. The Company recorded an after-tax loss on the transaction of $11.5 million, which is included in "Loss from discontinued operations, net of tax" in the Company's condensed consolidated statement of income for the third quarter and first nine months of 2010.

The results of operations of the magazine publishing division for the third quarter and first nine months of 2010 and 2009 are included in the Company's condensed consolidated statement of income as "Loss from discontinued operations, net of tax". All corresponding prior period operating results presented in the Company's condensed consolidated financial statements and the accompanying notes have been reclassified to reflect the discontinued operations presented. The Company did not reclassify its consolidated balance sheet as of December 31, 2009 to reflect the discontinued operations. The Company also did not reclassify its cash flow statements to reflect the discontinued operations.

Newsweek employees were participants in The Washington Post Company Retirement Plan and Newsweek had historically been allocated a net pension credit for segment reporting purposes. Since the associated pension assets and liabilities were retained by the Company, the associated credit had been excluded from the reclassification of Newsweek results to discontinued operations. Pension cost arising from early retirement programs at Newsweek, however, is included in discontinued operations (see Note 12).

In the third quarter and first nine months of 2010, Newsweek recorded $0.8 million and $4.7 million, respectively, in accelerated depreciation and property, plant and equipment write-downs.

The summarized loss from discontinued operations, net of tax for the third quarter and first nine months of 2010 and 2009 is presented below (in thousands):

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	October 3, 2010	September 27, 2009	October 3, 2010	September 27, 2009
Operating revenues	$ 28,750	$ 40,167	$ 94,231	$ 131,776
Operating costs and expenses	(41,149)	(53,561)	(121,842)	(187,018)
Loss from discontinued operations	(12,399)	(13,394)	(27,611)	(55,242)
Benefit from income taxes	(3,569)	(4,500)	(10,269)	(19,800)
Net loss from discontinued operations	(8,830)	(8,894)	(17,342)	(35,442)
Loss on sale of discontinued operations	(10,293)	—	(10,293)	—
Income taxes on sale of discontinued operations	1,169	—	1,169	—
Loss from discontinued operations, net of tax	$(20,292)	$ (8,894)	$ (28,804)	$ (35,442)

Note 3: Investments

Investments in marketable equity securities at October 3, 2010 and January 3, 2010 consist of the following (in thousands):

	October 3, 2010	January 3, 2010
Total cost	$223,064	$223,064
Net unrealized gains	141,914	130,820
Total fair value	$364,978	$353,884

The Washington Post Company

Notes to Condensed Consolidated Financial Statements—(Continued)
(Unaudited)

There were no new investments or sales of marketable equity securities in the first nine months of 2010. In the first quarter of 2009, the Company invested $10.8 million in the Class B common stock of Berkshire Hathaway Inc.

In the third quarter of 2009, the Company recorded $29.0 million in impairment charges at two of the Company's affiliate investments. The loss primarily related to an impairment charge recorded on the Company's interest in Bowater Mersey Paper Company, as a result of the challenging economic environment for newsprint producers.

Note 4: Acquisitions and Dispositions

In the second quarter of 2010, the Company made two small acquisitions in its Cable division and in Other businesses. In the first quarter of 2010, Kaplan made one small acquisition in its Kaplan Ventures division. The Company did not make any acquisitions during the third quarter of 2010. On September 30, 2010, the Company completed the sale of Newsweek. Consequently, the Company's income from continuing operations for the third quarter and year-to-date periods excludes Newsweek results, which have been reclassified to discontinued operations (see Note 2). In the second quarter of 2010, Kaplan completed the sale of Education Connection, which was part of the Kaplan Ventures division.

In the first nine months of 2009, the Company completed business acquisitions totaling approximately $8.1 million. This included the acquisition of a company at the Kaplan International division in the third quarter of 2009, as well as a small acquisition by the Company in the second quarter of 2009. This also included $3.2 million of additional purchase consideration recorded to goodwill in the second quarter of 2009, in connection with the achievement of certain operating results by a company acquired by Kaplan in 2007. The purchase consideration was contingent on the achievement of certain future operating results and therefore was not included in the Company's purchase accounting as of December 30, 2007. The Company did not make any acquisitions during the first quarter of 2009.

Note 5: Goodwill and Other Intangible Assets

The education division made several minor changes to its operating and reporting structure in the first quarter of 2010, changing the composition of the reporting units within Kaplan Test Preparation, Kaplan Ventures and Kaplan Higher Education (see Note 12). The changes resulted in the reassignment of the assets and liabilities to the reporting units affected. The goodwill was allocated to the reporting units affected using the relative fair value approach.

As a result of challenges in the lead generation industry, in the third quarter of 2010, the Company performed an interim review of the carrying value of goodwill and other intangible asset at its online lead generation business, which is included within the other businesses segment. The Company failed the step one goodwill impairment test and performed a step two analysis, resulting in a $27.5 million goodwill and other intangible asset impairment charge. The Company estimated the fair value utilizing a discounted cash flow model.

The education division reorganized its operations in the third quarter of 2009 into the following four operating segments for the purpose of making operating decisions and assessing performance: Higher Education, Test Preparation, Kaplan International and Kaplan Ventures. The reorganization changed the composition of the reporting units within the education division and resulted in the reassignment of the assets and liabilities. The goodwill was allocated to the reporting units using the relative fair value approach. As a result of the reassignment and allocation, the Company performed an interim review of the carrying value of goodwill at the education division for possible impairment on both a prereorganization and postreorganization basis. No impairment of goodwill was indicated at the prereorganization reporting units. On a postreorganization basis, the Company failed the step one goodwill impairment test at two reporting units (Kaplan EduNeering and Kaplan Compliance Solutions) within the Kaplan Ventures operating segment and performed a step two analysis. The Company recorded a goodwill and other long-lived asset impairment charge of $25.4 million related to these two reporting units. The fair value of Kaplan EduNeering was determined utilizing a discounted cash flow model; the fair value of Kaplan Compliance Solutions was determined using a cost approach. Effective in the first quarter of 2010, Kaplan Compliance Solutions was moved from Kaplan Ventures to Test Preparation (see Note 12).

The Company amortizes the recorded values of its amortized intangible assets over their estimated useful lives. Amortization of intangible assets for the thirteen weeks ended October 3, 2010 and September 27, 2009 was $6.5 million and $6.8 million, respectively. Amortization of intangible assets for the thirty-nine weeks ended October 3, 2010 and September 27, 2009 was $20.6 million. Amortization of intangible assets is estimated to be approximately $7 million for the remainder of 2010, $22 million in 2011, $10 million in 2012, $5 million in 2013, $4 million in 2014 and $15 million thereafter.

The Washington Post Company

Notes to Condensed Consolidated Financial Statements—(Continued)
(Unaudited)

The changes in the carrying amount of goodwill related to continuing operations, by segment, for the thirty-nine weeks ended October 3, 2010 were as follows:

(in thousands)	Education	Cable Television	Newspaper Publishing	Television Broadcasting	Magazine Publishing	Other Businesses	Total
Balance as of January 3, 2010:							
Goodwill	$1,073,852	$85,488	$ 81,186	$ 203,165	$ 24,515	$ 97,342	$1,565,548
Accumulated impairment losses	(15,529)	—	(65,772)	—	—	(60,785)	(142,086)
	1,058,323	85,488	15,414	203,165	24,515	36,557	1,423,462
Acquisitions	3,999	—	—	—	—	2,810	6,809
Impairment	—	—	—	—	—	(24,634)	(24,634)
Dispositions	(19,851)	—	—	—	(24,515)	—	(44,366)
Foreign currency exchange rate changes and other	10,652	—	(3)	—	—	—	10,649
Balance as of October 3, 2010							
Goodwill	1,068,652	85,488	81,183	203,165	—	100,152	1,538,640
Accumulated impairment losses	(15,529)	—	(65,772)	—	—	(85,419)	(166,720)
	$1,053,123	$85,488	$ 15,411	$ 203,165	$ —	$ 14,733	$1,371,920

The changes in carrying amount of goodwill at the Company's education division for the thirty-nine weeks ended October 3, 2010 were as follows:

(in thousands)	Higher Education	Test Preparation	Kaplan International	Kaplan Ventures	Total
Balance as of January 3, 2010:					
Goodwill	$335,226	$ 236,779	$ 432,973	$ 68,874	$1,073,852
Accumulated impairment losses	—	—	—	(15,529)	(15,529)
	335,226	236,779	432,973	53,345	1,058,323
Reallocation (Note 12)	—	(14,534)	—	14,534	—
Acquisitions	—	—	—	3,999	3,999
Dispositions	—	—	—	(19,851)	(19,851)
Foreign currency exchange rate changes and other	—	81	8,881	1,690	10,652
Balance as of October 3, 2010					
Goodwill	335,226	229,363	441,854	62,209	1,068,652
Accumulated impairment losses	—	(7,037)	—	(8,492)	(15,529)
	$335,226	$ 222,326	$ 441,854	$ 53,717	$1,053,123

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Other intangible assets consist of the following:

(in thousands)	Useful Life Range	As of October 3, 2010 Gross Carrying Amount	As of October 3, 2010 Accumulated Amortization	As of October 3, 2010 Net Carrying Amount	As of January 3, 2010 Gross Carrying Amount	As of January 3, 2010 Accumulated Amortization	As of January 3, 2010 Net Carrying Amount
Amortized intangible assets:							
Non-compete agreements	2-5 years	$ 43,172	$ 30,993	$12,179	$ 43,886	$ 24,093	$19,793
Student and customer relationships	2-10 years	66,035	40,209	25,826	67,360	35,475	31,885
Databases and technology	3-5 years	10,526	1,952	8,574	12,195	3,889	8,306
Trade names and trademarks	2-10 years	28,983	14,210	14,773	19,978	10,639	9,339
Other	1-25 years	7,999	6,296	1,703	7,797	5,806	1,991
		$156,715	$ 93,660	$63,055	$151,216	$ 79,902	$71,314
Indefinite-lived intangible assets:							
Franchise agreements		$496,166			$496,047		
Wireless licenses		22,150			22,150		
Licensure and accreditation		7,862			7,862		
Other		4,484			13,953		
		$530,662			$540,012		

Note 6: Borrowings

Debt consists of the following (in millions):

	October 3, 2010	January 3, 2010
7.25% unsecured notes due February 1, 2019	$ 396.5	$ 396.2
Other indebtedness	3.0	3.1
Total	399.5	399.3
Less current portion	(3.0)	(3.1)
Total long-term debt	$ 396.5	$ 396.2

The Company’s other indebtedness at October 3, 2010 and January 3, 2010 is at an interest rate of 6% and matures during 2010.

During the third quarter of 2010 and 2009, the Company had average borrowings outstanding of approximately $399.5 million and $399.2 million, respectively, at average annual interest rates of approximately 7.2%. During the third quarter of 2010 and 2009, the Company incurred net interest expense of $7.0 million.

During the first nine months of 2010 and 2009, the Company had average borrowings outstanding of approximately $399.4 million and $434.9 million, respectively, at average annual interest rates of approximately 7.2% and 6.8%, respectively. During the first nine months of 2010 and 2009, the Company incurred net interest expense of $21.3 million.

At October 3, 2010, the fair value of the Company’s 7.25% unsecured notes, based on quoted market prices, totaled $481.9 million, compared with the carrying amount of $396.5 million. At January 3, 2010, the fair value of the Company’s 7.25% unsecured notes, based on quoted market prices, totaled $443.1 million, compared with the carrying amount of $396.2 million. The carrying value of the Company’s other unsecured debt at October 3, 2010 approximates fair value.

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Note 7: Earnings Per Share

The Company's earnings per share from continuing operations (basic and diluted) for the third quarter and first nine months of 2010 and 2009 are presented below (in thousands, except per share amounts):

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	October 3, 2010	September 27, 2009	October 3, 2010	September 27, 2009
Income from continuing operations attributable to The Washington Post Company common stockholders	$ 81,214	$ 25,944	$ 227,009	$ 45,573
Less: Amount attributable to participating securities	(458)	(165)	(1,389)	(308)
Basic income from continuing operations attributable to The Washington Post Company common stockholders	$ 80,756	$ 25,779	$ 225,620	$ 45,265
Plus: Amount attributable to participating securities	458	165	1,389	308
Diluted income from continuing operations attributable to The Washington Post Company common stockholders	$ 81,214	$ 25,944	$ 227,009	$ 45,573
Basic weighted-average shares outstanding	8,839	9,340	9,047	9,340
Effect of dilutive shares:				
Stock options and restricted stock	65	61	66	60
Diluted weighted-average shares outstanding	8,904	9,401	9,113	9,400
Income per share from continuing operations attributable to The Washington Post Company common stockholders:				
Basic	$ 9.14	$ 2.76	$ 24.94	$ 4.85
Diluted	$ 9.12	$ 2.76	$ 24.91	$ 4.85

The Company treats unvested share-based payment awards that contain nonforfeitable rights to dividends as participating securities and includes these securities in the computation of earnings per share under the two-class method.

For the first nine months of 2010, there were 9,046,653 weighted average basic and 9,112,564 weighted average diluted shares outstanding. For the third quarter of 2010, there were 8,839,329 weighted average basic and 8,904,453 weighted average diluted shares outstanding. For the first nine months of 2009, there were 9,339,646 weighted average basic and 9,399,501 weighted average diluted shares outstanding. For the third quarter of 2009, there were 9,340,067 weighted average basic and 9,401,010 weighted average diluted shares outstanding.

The diluted earnings per share amounts for the third quarter of 2010 and the first nine months of 2010 exclude the effects of 59,069 and 36,125 stock options outstanding, respectively, as their inclusion would have been antidilutive. The diluted earnings per share amounts for the third quarter of 2009 and the first nine months of 2009 exclude the effects of 60,125 and 72,069 stock options outstanding, respectively, as their inclusion would have been antidilutive.

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Note 8: Pension and Postretirement Plans

Defined Benefit Plans. The total cost (benefit) arising from the Company's defined benefit pension plans for the third quarter and nine months ended October 3, 2010 and September 27, 2009, consists of the following components (in thousands):

	Pension Plans			
	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	October 3, 2010	September 27, 2009	October 3, 2010	September 27, 2009
Service cost	$ 6,836	$ 6,713	$ 20,969	$ 22,517
Interest cost	14,993	13,918	45,180	43,077
Expected return on assets	(23,847)	(24,409)	(71,558)	(73,832)
Amortization of transition asset	(8)	(14)	(22)	(29)
Amortization of prior service cost	1,103	1,419	3,309	3,087
Recognized actuarial gain	—	67	—	(26)
Net periodic benefit	(923)	(2,306)	(2,122)	(5,206)
Early retirement programs expense	—	1,123	—	64,541
Special termination benefits	5,295	—	5,295	—
Recognition of prior service cost	2,369	—	2,369	—
Total cost (benefit)	$ 6,741	$ (1,183)	$ 5,542	$ 59,335

In connection with the Newsweek sale, the Company recorded $5.3 million in special termination benefits expense and $2.4 million in prior service cost expense; these amounts are included in discontinued operations.

Newsweek offered a Voluntary Retirement Incentive Program to certain employees in November 2008 that was completed in the first quarter of 2009; early retirement program expense of $6.6 million was recorded in the first quarter of 2009, and is included in discontinued operations.

The Company offered a Voluntary Retirement Incentive Program to certain employees of The Washington Post newspaper in the first quarter of 2009; early retirement program expense of $56.8 million was recorded in the second quarter of 2009, funded mostly from the assets of the Company's pension plans.

In the third quarter of 2009, the Company offered a Voluntary Retirement Incentive Program to certain employees of Robinson Terminal Warehouse Corporation; early retirement program expense of $1.1 million was recorded in the third quarter of 2009, funded mostly from the assets of the Company's pension plans.

The total cost arising from the Company's Supplemental Executive Retirement Plan (SERP) for the third quarter and nine months ended October 3, 2010 and September 27, 2009, including a portion included in discontinued operations, consists of the following components (in thousands):

	SERP			
	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	October 3, 2010	September 27, 2009	October 3, 2010	September 27, 2009
Service cost	$ 344	$ 334	$ 1,033	$ 1,001
Interest cost	1,072	1,032	3,216	3,096
Amortization of prior service cost	102	111	305	334
Recognized actuarial loss	238	388	714	1,164
Total cost	$ 1,756	$ 1,865	$ 5,268	$ 5,595

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Defined Benefit Plan Assets. The Company's defined benefit pension obligations are funded by a portfolio made up of a relatively small number of stocks and high-quality fixed-income securities that are held by a third-party trustee. As of September 30, 2010 and December 31, 2009, the assets of the Company's pension plans were allocated as follows:

	Pension Plan Asset Allocations	
	September 30, 2010	December 31, 2009
U.S. equities	73%	74%
U.S. fixed income	21%	18%
International equities	6%	8%
Total	100%	100%

Essentially all of the assets are actively managed by two investment companies. The goal of the investment managers is to produce moderate long-term growth in the value of these assets, while protecting them against large decreases in value. Both of these managers may invest in a combination of equity and fixed-income securities and cash. The managers are not permitted to invest in securities of the Company or in alternative investments. The investment managers cannot invest more than 20% of the assets at the time of purchase in the stock of Berkshire Hathaway or more than 10% of the assets in the securities of any other single issuer, except for obligations of the U.S. Government, without receiving prior approval by the Plan administrator. As of September 30, 2010, up to 13% of the assets could be invested in international stocks, and no less than 9% of the assets could be invested in fixed-income securities. None of the assets is managed internally by the Company.

In determining the 6.5% expected rate of return on plan assets, the Company considers the relative weighting of plan assets, the historical performance of total plan assets and individual asset classes and economic and other indicators of future performance. In addition, the Company may consult with and consider the input of financial and other professionals in developing appropriate return benchmarks.

The Company evaluated its defined benefit pension plan asset portfolio for the existence of significant concentrations (defined as greater than 10% of plan assets) of credit risk as of September 30, 2010. Types of concentrations that were evaluated include, but are not limited to, investment concentrations in a single entity, type of industry, foreign country and individual fund. Included in the assets are $167.0 million and $274.3 million of Berkshire Hathaway Class A and Class B common stock at September 30, 2010 and December 31, 2009, respectively. Approximately 52% of the Berkshire Hathaway common stock held at December 31, 2009 was sold during the first six months of 2010.

Other Postretirement Plans. The total (benefit) cost arising from the Company's postretirement plans for the third quarter and nine months ended October 3, 2010 and September 27, 2009, including a portion included in discontinued operations, consists of the following components (in thousands):

	Postretirement Plans			
	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	October 3, 2010	September 27, 2009	October 3, 2010	September 27, 2009
Service cost	$ 847	$ 968	$ 2,540	$ 2,903
Interest cost	997	1,042	2,992	3,126
Amortization of prior service credit	(1,287)	(1,242)	(3,862)	(3,726)
Recognized actuarial gain	(513)	(782)	(1,538)	(2,346)
Net periodic cost (benefit)	44	(14)	132	(43)
Curtailment gain	(8,583)	—	(8,583)	(677)
Total benefit	$ (8,539)	$ (14)	$ (8,451)	$ (720)

The Company recorded a curtailment gain of $8.5 million in the third quarter of 2010 due to the sale of Newsweek; the gain is included in discontinued operations.

The Company recorded a curtailment gain of $0.7 million in the first quarter of 2009, due to the elimination of life insurance benefits for new retirees on or after January 1, 2009.

Multiemployer Pension Plans. The Washington Post newspaper contributes to multiemployer pension plans on behalf of three union-represented employee groups: the CWA-ITU Negotiated Pension Plan on behalf of Post mailers, helpers and utility mailers; the IAM National Pension Fund on behalf of Post machinists; and the Central Pension Fund of the International Union of Operating Engineers

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on behalf of Post engineers, carpenters and painters. Contributions are made in accordance with the relevant collective bargaining agreements and are generally based on straight-time hours.

The Post has negotiated in collective bargaining the contractual right to withdraw from two of these plans; the right to withdraw from the CWA-ITU Negotiated Pension Plan (the Plan) has been the subject of contract negotiations that have reached an impasse. In July 2010, the Post notified the union and the Plan of its unilateral withdrawal from the Plan effective November 30, 2010. In connection with this action, The Washington Post has recorded a $20.4 million charge based on an estimate of the withdrawal liability; $17.7 million of this charge was recorded in the second quarter of 2010 and $2.7 million was recorded in the third quarter of 2010. The Plan is obligated to notify the Post of the actual withdrawal liability in a timely manner at which time an adjustment to the estimated charge will be made to reflect the difference between the estimated and actual withdrawal liability. Payment of the actual withdrawal liability will relieve the Post of further liability to the Plan absent certain circumstances prescribed by law.

Note 9: Other Non-Operating Income (Expense)

A summary of non-operating income (expense) for the thirteen and thirty-nine weeks ended October 3, 2010 and September 27, 2009, is as follows (in millions):

	Thirteen Weeks Ended		Thirty-Nine Weeks Ended	
	October 3, 2010	September 27, 2009	October 3, 2010	September 27, 2009
Foreign currency gains, net	$ 11.9	$ —	$ 4.8	$ 18.4
Impairment write-downs on cost method investments	—	—	—	(2.9)
Other, net	0.6	0.1	(0.8)	0.3
Total	$ 12.5	$ 0.1	$ 4.0	$ 15.8

Note 10: Contingencies

Litigation and Legal Matters. A purported class action complaint was filed against the Company, Donald E. Graham and Hal S. Jones on October 28, 2010, in the U.S. District Court for the District of Columbia, by the Plumbers Local #200 Pension Fund. The complaint alleges that the Company and certain of its officers made materially false and misleading statements, or failed to disclose material facts relating to Kaplan Higher Education (KHE), in violation of the federal securities laws. The complaint seeks damages, attorneys' fees, costs and equitable/injunctive relief. Based on an initial review of this complaint, the Company believes the complaint is without merit and intends to vigorously defend against it.

On October 19, 2010, the Florida Attorney General announced that it had commenced an investigation into alleged deceptive trade practices at five proprietary school groups located in Florida, including Kaplan. The Florida Attorney General has served KHE with a subpoena seeking records. KHE is cooperating with the investigation, but cannot at this time predict the outcome of the investigation.

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Department of Education (DOE) Program Reviews. From 2007 through 2010, the DOE undertook program reviews at four of KHE's campus locations and at Kaplan University. The DOE has issued a final report with respect to one of the campus locations with no action taken. No final reports with respect to the other reviews have been issued. Therefore, the results of these reviews and their impact on Kaplan's operations is uncertain.

In particular, while KHE has responded to the previously disclosed preliminary report and request for additional information (which included a complete file review of Title IV disbursements for three consecutive award years from 2005/2006 through 2007/2008) by the DOE with regard to its program review at the Broomall campus, KHE has not received a final report. With respect to the previously disclosed United States Attorney's inquiry into the surgical tech program, the U.S. Attorney has expressed concerns about the program's historical sufficiency of externship sites, but has not concluded its inquiry. At this time we cannot predict the ultimate impact the DOE program review or U.S. Attorney's inquiry may have on Kaplan.

Other. In September 2010 KHE received a report from one of its accreditors, ACCSC, regarding its Riverside campus, which report requested that KHE provide ACCSC detailed information about how KHE schools intend to maintain compliance with federal regulations. KHE has responded to ACCSC's request and at this time cannot predict if ACCSC will request additional information or take additional action. ACCSC accredits 32 Kaplan campuses.

Note 11: Fair Value Measurements

Fair value measurements are determined based on the assumptions that a market participant would use in pricing an asset or liability based on a three-tiered hierarchy that draws a distinction between market participant assumptions based on (i) observable inputs, such as quoted prices in active markets (Level 1); (ii) inputs other than quoted prices in active markets that are observable either directly or indirectly (Level 2); and (iii) unobservable inputs that require the Company to use present value and other valuation techniques in the determination of fair value (Level 3). Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measure. The Company's assessment of the significance of a particular input to the fair value measurements requires judgment and may affect the valuation of the assets and liabilities being measured and their placement within the fair value hierarchy.

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The Company's financial assets and liabilities measured at fair value on a recurring basis as of October 3, 2010 were as follows (in millions):

	Fair Value at October 3, 2010	Fair Value Measurements as of October 3, 2010: Quoted Prices in Active Markets for Identical Items (Level 1)	Fair Value Measurements as of October 3, 2010: Significant Other Observable Inputs (Level 2)
Assets:			
Money market investments[1]	$ 342.5	$ —	$ 342.5
Marketable equity securities[2]	365.0	365.0	—
Other current investments[3]	34.5	17.4	17.1
Total financial assets	$ 742.0	$ 382.4	$ 359.6
Liabilities:			
Deferred compensation plan liabilities [4]	$ 66.7	$ —	$ 66.7
7.25% Unsecured notes [5]	481.9	—	481.9
Total financial liabilities	$ 548.6	$ —	$ 548.6

(1) The Company's money market investments are included in cash and cash equivalents.
(2) The Company's investments in marketable equity securities are classified as available-for-sale.
(3) Includes U.S. Government Securities, corporate bonds, mutual funds and time deposits (with original maturities greater than 90 days, but less than one year).
(4) Includes The Washington Post Company Deferred Compensation Plan and supplemental savings plan benefits under The Washington Post Company Supplemental Executive Retirement Plan, which are included in accrued compensation and related benefits.
(5) See Note 6 for carrying amount of these notes.

The Company's financial assets and liabilities measured at fair value on a recurring basis as of January 3, 2010 were as follows (in millions):

	Fair Value at January 3, 2010	Fair Value Measurements as of January 3, 2010: Quoted Prices in Active Markets for Identical Items (Level 1)	Fair Value Measurements as of January 3, 2010: Significant Other Observable Inputs (Level 2)
Assets:			
Money market investments [1]	$ 327.8	$ —	$ 327.8
Marketable equity securities [2]	353.9	353.9	—
Other current investments [3]	31.1	30.4	0.7
Total financial assets	$ 712.8	$ 384.3	$ 328.5
Liabilities:			
Deferred compensation plan liabilities [4]	$ 66.6	$ —	$ 66.6
7.25% unsecured notes [5]	443.1	—	443.1
Total financial liabilities	$ 509.7	$ —	$ 509.7

(1) The Company's money market investments are included in cash and cash equivalents.
(2) The Company's investments in marketable equity securities are classified as available-for-sale.
(3) Includes U.S. Government Securities, corporate bonds, mutual funds and time deposits (with original maturities greater than 90 days, but less than one year).
(4) Includes The Washington Post Company Deferred Compensation Plan and supplemental savings plan benefits under The Washington Post Company Supplemental Executive Retirement Plan, which are included in accrued compensation and related benefits.
(5) See Note 6 for carrying amount of these notes.

For assets that are measured using quoted prices in active markets, the total fair value is the published market price per unit multiplied by the number of units held without consideration of transaction costs. Assets and liabilities that are measured using significant other observable inputs are primarily valued by reference to quoted prices of similar assets or liabilities in active markets, adjusted for any terms specific to that asset or liability.

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Note 12: Business Segments

Through its subsidiary Kaplan, Inc., the Company provides educational services for individuals, schools and businesses. The Company also operates principally in three areas of the media business: cable television, newspaper publishing and television broadcasting.

In the first quarter of 2010, Kaplan made several minor changes to its operating and reporting structure: Kaplan Compliance Solutions was moved from Kaplan Ventures to Test Preparation; Kaplan Continuing Education was moved from Test Preparation to Kaplan Ventures; and Colloquy (a business that provides online services to nonprofit higher education institutions) was moved from KHE to Kaplan Ventures. The business segments disclosed are based on this organizational structure. Segment operating results of the education division for fiscal years ended 2009 and 2008 have been restated to reflect these changes.

In the third quarter of 2009, KHE modified its method of recognizing revenue ratably over the period of instruction as services are delivered to students from a weekly convention to a daily convention, on a prospective basis. If KHE’s revenue recognition convention had been on a daily convention in prior periods, revenues and operating income in the first quarter of 2009 would have increased by $7.0 million and $6.5 million, respectively. The Company has concluded that the impact of this change was not material to the Company’s financial position or results of operations for 2009 and the related interim periods, based on its consideration of quantitative and qualitative factors.

At the end of March 2009, the Company approved a plan to offer tutoring services, previously provided at Score, in Kaplan test preparation centers. The plan was substantially completed by the end of the second quarter of 2009. The Company recorded $24.9 million in asset write-downs, lease terminations, severance and accelerated depreciation of fixed assets in the first half of 2009.

Restructuring-related expenses of $0.9 million and $8.1 million were recorded in the third quarter and first nine months of 2009, respectively, at Kaplan’s professional domestic training businesses (part of Test Preparation division).

Cable television operations consist of cable systems offering video, Internet, phone and other services to subscribers in midwestern, western and southern states. The principal source of revenue is monthly subscription fees charged for services.

Newspaper publishing includes the publication of newspapers in the Washington, DC, area and Everett, WA; newsprint warehousing and recycling facilities; and the Company’s electronic media publishing business (primarily washingtonpost.com). Revenues from newspaper publishing operations are derived from advertising and, to a lesser extent, from circulation.

Television broadcasting operations are conducted through six VHF television stations serving the Detroit, Houston, Miami, San Antonio, Orlando and Jacksonville television markets. All stations are network-affiliated (except for WJXT in Jacksonville), with revenues derived primarily from sales of advertising time.

Other businesses include the operating results of Avenue100 Media Solutions and other small businesses. Previously these businesses were combined with the Corporate office in the Other businesses and corporate office division. Segment operating results are now reported separately for Other businesses and Corporate office and results for fiscal years ended 2009 and 2008 have been restated to reflect these changes.

Corporate office includes the expenses of the Company’s corporate office and the pension credit previously reported in the magazine publishing division.

Due to the sale of Newsweek, the magazine publishing division is no longer included as a separate segment as its results have been reclassified to discontinued operations. Newsweek employees are participants in The Washington Post Company Retirement Plan, and Newsweek has historically been allocated a net pension credit for segment reporting purposes. Since the associated pension assets and liabilities will be retained by the Company, the associated credit has been excluded from the reclassification of Newsweek results to discontinued operations. Pension cost arising from early retirement programs at Newsweek, however, is included in discontinued operations.

The net pension credit is included with operating results for the Corporate office, as follows:

(in thousands)	2010	2009	2008
Quarter 1	$ 8,289	$ 8,238	
Quarter 2	8,772	8,238	
Quarter 3	8,772	9,080	
Quarter 4		9,080	
	$25,833	$34,636	$41,652

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In computing income from operations by segment, the effects of equity in losses of affiliates, interest income, interest expense, other non-operating income and expense items and income taxes are not included.

The following table summarizes quarterly financial information related to each of the Company's business segments for 2010:

(in thousands)	First Quarter	Second Quarter	Third Quarter
2010 Quarterly Operating Results			
Operating revenues			
Education	$ 711,382	$ 747,323	$ 743,319
Cable television	189,358	190,558	188,694
Newspaper publishing	155,771	172,730	163,447
Television broadcasting	73,482	82,592	83,178
Other businesses	14,134	10,693	13,098
Corporate office	—	—	—
Intersegment elimination	(2,096)	(2,084)	(2,013)
	$1,142,031	$ 1,201,812	$ 1,189,723
Income (loss) from operations			
Education	$ 57,948	$ 108,982	$ 99,100
Cable television	42,536	43,790	40,264
Newspaper publishing	(13,752)	(14,300)	(1,715)
Television broadcasting	20,911	29,806	25,283
Other businesses	(833)	(2,885)	(28,459)
Corporate office	(3,707)	(1,904)	(3,898)
	$ 103,103	$ 163,489	$ 130,575
Equity in (losses) earnings of affiliates	(8,109)	2,027	2,140
Interest expense, net	(7,253)	(6,999)	(7,033)
Other, net	(3,321)	(5,170)	12,486
Income from continuing operations before income taxes	$ 84,420	$ 153,347	$ 138,168
Depreciation of property, plant and equipment			
Education	$ 18,748	$ 19,129	$ 19,060
Cable television	31,626	30,722	31,174
Newspaper publishing	7,884	7,818	7,416
Television broadcasting	3,137	3,260	3,182
Other businesses	59	62	72
Corporate office	144	142	145
	$ 61,598	$ 61,133	$ 61,049
Amortization of intangible assets			
Education	$ 5,276	$ 6,355	$ 4,998
Cable television	76	75	74
Newspaper publishing	282	389	262
Television broadcasting	—	—	—
Other businesses	882	785	1,187
Corporate office	—	—	—
	$ 6,516	$ 7,604	$ 6,521
Impairment of goodwill and other long-lived assets			
Education	$ —	$ —	$ —
Cable television	—	—	—
Newspaper publishing	—	—	—
Television broadcasting	—	—	—
Other businesses	—	—	27,477
Corporate office	—	—	—
	$ —	$ —	$ 27,477

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(in thousands)	First Quarter	Second Quarter	Third Quarter
Net pension credit (expense)			
Education	$ (1,349)	$ (1,526)	$ (1,434)
Cable television	(468)	(475)	(488)
Newspaper publishing[1]	(5,560)	(23,192)	(8,088)
Television broadcasting	(262)	(295)	(278)
Other businesses	(15)	(18)	(15)
Corporate office	8,089	8,570	8,571
	$ 435	$ (16,936)	$ (1,732)

1 Includes a $17.7 million and $2.7 million charge in the second quarter and third quarter of 2010, respectively, related to the withdrawal from a multiemployer pension plan.

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The following table summarizes quarterly financial information related to each of the Company's business segments for 2009:

(in thousands)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
2009 Quarterly Operating Results				
Operating revenues				
Education	$ 593,530	$ 649,323	$ 684,516	$ 709,269
Cable television	183,508	186,684	189,647	190,570
Newspaper publishing	160,891	168,765	156,281	193,345
Television broadcasting	61,163	66,653	64,599	80,236
Other businesses	10,820	13,156	15,314	14,631
Corporate office	—	—	—	—
Intersegment elimination	(1,612)	(1,402)	(1,563)	(1,808)
	$1,008,300	$ 1,083,179	$ 1,108,794	$ 1,186,243
Income (loss) from operations				
Education	$ 11,162	$ 58,107	$ 45,900	$ 79,592
Cable television	42,012	39,807	40,329	46,903
Newspaper publishing	(53,752)	(89,347)	(23,622)	3,172
Television broadcasting	12,143	14,268	15,052	29,043
Other businesses	(371)	239	30	41
Corporate office	(2,224)	(3,621)	(3,062)	(3,922)
	$ 8,970	$ 19,453	$ 74,627	$ 154,829
Equity in losses of affiliates	(762)	(206)	(27,192)	(1,261)
Interest expense, net	(7,072)	(7,226)	(6,978)	(7,692)
Other, net	(4,043)	19,719	103	(2,582)
(Loss) income from continuing operations before income taxes	$ (2,907)	$ 31,740	$ 40,560	$ 143,294
Depreciation of property, plant and equipment				
Education	$ 19,681	$ 22,401	$ 19,017	$ 20,379
Cable television	31,099	31,099	30,800	31,209
Newspaper publishing	23,768	25,741	15,352	8,009
Television broadcasting	2,444	3,486	3,528	2,841
Other businesses	22	32	46	51
Corporate office	154	155	154	216
	$ 77,168	$ 82,914	$ 68,897	$ 62,705
Amortization of intangible assets				
Education	$ 5,541	$ 6,089	$ 5,617	$ 4,976
Cable television	67	85	79	79
Newspaper publishing	243	219	274	274
Television broadcasting	—	—	—	—
Other businesses	797	798	797	707
Corporate office	—	—	—	—
	$ 6,648	$ 7,191	$ 6,767	$ 6,036
Impairment of goodwill and other long-lived assets				
Education	$ —	$ —	$ 25,387	$ —
Cable television	—	—	—	—
Newspaper publishing	—	—	—	—
Television broadcasting	—	—	—	—
Other businesses	—	—	—	—
Corporate office	—	—	—	—
	$ —	$ —	$ 25,387	$ —

The Washington Post Company

Notes to Condensed Consolidated Financial Statements—(Continued)
(Unaudited)

(in thousands)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net pension credit (expense)				
Education	$ (1,132)	$ (1,106)	$ (1,914)	$ (1,262)
Cable television	(393)	(394)	(532)	(532)
Newspaper publishing	(5,016)	(61,600)	(5,168)	(4,141)
Television broadcasting	(147)	(147)	(63)	(61)
Other businesses	(20)	(21)	(20)	(21)
Corporate office	8,038	8,038	8,880	8,880
	$ 1,330	$ (55,230)	$ 1,183	$ 2,863

The following table summarizes financial information related to each of the Company's business segments for the nine months ended 2010 and 2009, as well as for the fiscal years 2009 and 2008:

(in thousands)	Nine Month Period		Fiscal Year Ended	
	2010	2009	2009	2008
Operating revenues				
Education	$2,202,024	$1,927,369	$2,636,638	$2,331,580
Cable television	568,610	559,839	750,409	719,070
Newspaper publishing	491,948	485,937	679,282	801,265
Television broadcasting	239,252	192,415	272,651	325,146
Other businesses	37,925	39,290	53,921	39,411
Corporate office	—	—	—	—
Intersegment elimination	(6,193)	(4,577)	(6,385)	(4,757)
	$3,533,566	$3,200,273	$4,386,516	$4,211,715
Income (loss) from operations				
Education	$ 266,030	$ 115,169	$ 194,761	$ 206,302
Cable television	126,590	122,148	169,051	162,202
Newspaper publishing	(29,767)	(166,721)	(163,549)	(192,739)
Television broadcasting	76,000	41,463	70,506	123,495
Other businesses	(32,177)	(102)	(61)	(69,835)
Corporate office	(9,509)	(8,907)	(12,829)	2,495
	$ 397,167	$ 103,050	$ 257,879	$ 231,920
Equity in losses of affiliates	(3,942)	(28,160)	(29,421)	(7,837)
Interest expense, net	(21,285)	(21,276)	(28,968)	(18,986)
Other, net	3,995	15,779	13,197	(2,189)
Income from continuing operations before income taxes	$ 375,935	$ 69,393	$ 212,687	$ 202,908
Depreciation of property, plant and equipment				
Education	$ 56,937	$ 61,099	$ 81,478	$ 67,329
Cable television	93,522	92,998	124,207	121,310
Newspaper publishing	23,118	64,861	72,870	64,983
Television broadcasting	9,579	9,458	12,299	9,400
Other businesses	193	100	151	54
Corporate office	431	463	679	478
	$ 183,780	$ 228,979	$ 291,684	$ 263,554
Amortization of intangible assets				
Education	$ 16,629	$ 17,247	$ 22,223	$ 15,472
Cable television	225	231	310	307
Newspaper publishing	933	736	1,010	625
Television broadcasting	—	—	—	—
Other businesses	2,854	2,392	3,099	6,121
Corporate office	—	—	—	—
	$ 20,641	$ 20,606	$ 26,642	$ 22,525

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The Washington Post Company

Notes to Condensed Consolidated Financial Statements—(Continued)
(Unaudited)

(in thousands)	Nine Month Period		Fiscal Year Ended	
	2010	2009	2009	2008
Impairment of goodwill and other long-lived assets				
Education	$ —	$ 25,387	$ 25,387	$ —
Cable television	—	—	—	—
Newspaper publishing	—	—	—	65,772
Television broadcasting	—	—	—	—
Other businesses	27,477	—	—	69,667
Corporate office	—	—	—	—
	$ 27,477	$ 25,387	$ 25,387	$135,439
Net pension (expense) credit				
Education	$ (4,309)	$ (4,152)	$ (5,414)	$ (4,255)
Cable television	(1,431)	(1,319)	(1,851)	(1,534)
Newspaper publishing[1]	(36,840)	(71,784)	(75,925)	(87,962)
Television broadcasting	(835)	(357)	(418)	1,041
Other businesses	(48)	(61)	(82)	(67)
Corporate office	25,230	24,956	33,836	39,827
	$(18,233)	$(52,717)	$(49,854)	$ (52,950)

1 Includes a $20.4 million charge in the first nine months of 2010, related to the withdrawal from a multiemployer pension plan.

Asset information for the Company's business segments are as follows:

(in thousands)	As of		
	October 3, 2010	January 3, 2010	December 28, 2008
Identifiable assets			
Education	$ 1,964,428	$ 2,188,328	$ 2,080,037
Cable television	1,146,276	1,164,209	1,204,373
Newspaper publishing	142,627	207,234	383,849
Television broadcasting	425,167	433,705	412,129
Other businesses	18,535	54,418	57,092
Corporate office	1,015,202	729,706	611,198
	$ 4,712,235	$ 4,777,600	$ 4,748,678
Investments in marketable equity securities	364,978	353,884	333,319
Investments in affiliates	44,994	54,722	76,437
Total assets	$ 5,122,207	$ 5,186,206	$ 5,158,434

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The Washington Post Company

Notes to Condensed Consolidated Financial Statements—(Continued)
(Unaudited)

The Company's education division comprises the following operating segments:

(in thousands)	Third Quarter Period		Nine Month Period	
	2010	2009	2010	2009
Operating revenues				
Higher education	$465,703	$408,537	$1,383,396	$1,118,971
Test preparation[1]	101,491	108,591	313,006	340,871
Kaplan international	151,208	138,089	422,582	382,066
Kaplan ventures[2]	24,865	31,102	85,903	91,628
Kaplan corporate and other	1,375	728	3,949	1,941
Intersegment elimination	(1,323)	(2,531)	(6,812)	(8,108)
	$743,319	$684,516	$2,202,024	$1,927,369
Income (loss) from operations				
Higher education	$117,319	$ 90,026	$ 329,455	$ 203,744
Test preparation[1]	(2,368)	3,527	(9,731)	(15,657)
Kaplan international	14,904	8,311	32,376	27,304
Kaplan ventures[2]	(11,428)	(7,864)	(25,351)	(14,134)
Kaplan corporate and other	(19,357)	(48,185)	(60,467)	(86,324)
Intersegment elimination	30	85	(252)	236
	$ 99,100	$ 45,900	$ 266,030	$ 115,169
Depreciation of property, plant and equipment				
Higher education	$ 10,121	$ 9,712	$ 29,633	$ 27,724
Test preparation	3,726	4,190	11,784	18,919
Kaplan international	3,054	3,023	9,009	8,264
Kaplan ventures	1,107	1,022	3,426	3,003
Kaplan corporate and other	1,052	1,070	3,085	3,189
	$ 19,060	$ 19,017	$ 56,937	$ 61,099
Amortization of intangible assets	$ 4,998	$ 5,617	$ 16,629	$ 17,247
Impairment of goodwill and other long-lived assets	$ —	$ 25,387	$ —	$ 25,387
Kaplan stock-based incentive compensation (credit) expense	$ (2,397)	$ 1,697	$ (1,310)	$ 5,155

Identifiable assets for the Company's education division consist of the following:

(in thousands)	As of September 30, 2010	December 31, 2009
Identifiable assets		
Higher education	$ 654,530	$ 920,039
Test preparation	391,227	393,399
Kaplan international	739,360	671,306
Kaplan ventures	121,442	143,399
Kaplan corporate and other	57,869	60,185
	$ 1,964,428	$ 2,188,328

1 Test Preparation amounts include revenues and operating losses from Score as follows:

(in thousands)	Third Quarter Period 2009	Nine Month Period 2009
Revenues	$ 205	$ 8,557
Operating losses	$ (371)	$ (36,539)

2 Kaplan Ventures amounts include revenues and operating income from Education Connection as follows:

(in thousands)	Third Quarter Period		Nine Month Period	
	2010	2009	2010	2009
Revenues	$ —	$ 7,901	$10,945	$20,841
Operating income	$ —	$ 1,081	$ 1,701	$ 2,519

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

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

Results of Operations

Net income available for common shares was $60.9 million ($6.84 per share) for the third quarter ended October 3, 2010, compared to net income available for common shares of $17.1 million ($1.81 per share) for the third quarter of last year. Net income includes $20.3 million ($2.28 per share) and $8.9 million ($0.95 per share) in losses from discontinued operations for the third quarter of 2010 and 2009, respectively. Income from continuing operations available for common shares was $81.2 million ($9.12 per share) for the third quarter of 2010, compared to $25.9 million ($2.76 per share) for the third quarter of 2009. There were fewer diluted average shares outstanding in 2010.

Kaplan's higher education businesses are subject to a number of recently enacted and pending regulations by the Department of Education. Also, Kaplan is launching a new program entitled the "Kaplan Commitment" that includes a "risk-free period" of enrollment. The recent and potential rulemaking activities and the "Kaplan Commitment" could have a material adverse effect on Kaplan's operating results.

On September 30, 2010, the Company completed the sale of Newsweek. Consequently, the Company's income from continuing operations for the third quarter and year-to-date periods excludes Newsweek results, which have been reclassified to discontinued operations.

Items included in the Company's income from continuing operations for the third quarter of 2010:

- A $27.5 million goodwill and other long-lived assets impairment charge at the Company's online lead generation business, included in other businesses (after-tax impact of $26.3 million, or $2.96 per share); and
- $11.9 million in non-operating unrealized foreign currency gains arising from the weakening of the U.S. dollar (after-tax impact of $7.5 million, or $0.84 per share).

Items included in the Company's income from continuing operations for the third quarter of 2009:

- $6.1 million in accelerated depreciation at The Washington Post (after-tax impact of $3.8 million, or $0.40 per share);
- A $25.4 million goodwill and other long-lived assets impairment charge related to Kaplan Ventures (after-tax impact of $18.8 million, or $2.00 per share); and
- A decline in equity in earnings (losses) of affiliates associated with $29.0 million in impairment charges at two of the Company's affiliates (after-tax impact of $18.8 million, or $2.00 per share).

Revenue for the third quarter of 2010 was $1,189.7 million, up 7% from $1,108.8 million in the third quarter of 2009, due to increased revenues at the education, television broadcasting and newspaper publishing divisions, offset by a small decrease at the cable television division. Operating income increased in the third quarter of 2010 to $130.6 million, from $74.6 million in the third quarter of 2009, due to improved operating results at the education, television broadcasting and newspaper publishing divisions.

For the first nine months of 2010, the Company reported net income available for common shares of $198.2 million ($21.75 per share), compared to net income available for common shares of $10.1 million ($1.08 per share) for the same period of 2009. Net income includes $28.8 million ($3.16 per share) and $35.4 million ($3.77 per share) in losses from discontinued operations for the first nine months of 2010 and 2009, respectively. Income from continuing operations available for common shares was $227.0 million ($24.91 per share) for the first nine months of 2010, compared to $45.6 million ($4.85 per share) for the first nine months of 2009. There were fewer diluted average shares outstanding in 2010.

Items included in the Company's income from continuing operations for the first nine months of 2010:

- A $20.4 million charge recorded at The Washington Post in connection with the planned withdrawal from a multiemployer pension plan (after-tax impact of $12.7 million, or $1.38 per share);
- A $27.5 million goodwill and other long-lived assets impairment charge at the Company's online lead generation business, included in other businesses (after-tax impact of $26.3 million, or $2.96 per share); and
- $4.8 million in non-operating unrealized foreign currency gains arising from the weakening of the U.S. dollar (after-tax impact of $3.1 million, or $0.36 per share).

Items included in the Company's income from continuing operations for the first nine months of 2009:

- $56.8 million in early retirement program expense at The Washington Post (after-tax impact of $35.2 million, or $3.77 per share);
- $33.0 million in restructuring charges related to Kaplan's Score and Test Preparation operations (after-tax impact of $20.5 million, or $2.18 per share);
- $33.8 million in accelerated depreciation at The Washington Post (after-tax impact of $21.0 million, or $2.23 per share);
- A $25.4 million goodwill and other long-lived assets impairment charge related to Kaplan Ventures (after-tax impact of $18.8 million, or $2.00 per share);
- A decline in equity in earnings (losses) of affiliates associated with $29.0 million in impairment charges at two of the Company's affiliates (after-tax impact of $18.8 million, or $2.00 per share); and
- $18.4 million in non-operating unrealized foreign currency gains arising from the weakening of the U.S. dollar (after-tax impact of $11.4 million, or $1.21 per share).

Revenue for the first nine months of 2010 was $3,533.6 million, up 10% from $3,200.3 million in the first nine months of 2009. The Company reported operating income of $397.2 million for the first nine months of 2010, compared to $103.1 million for the first nine months of 2009. Revenue and operating results improved at all of the Company's divisions for the first nine months of 2010.

Education Division. Education division revenue totaled $743.3 million for the third quarter of 2010, a 9% increase over revenue of $684.5 million for the same period of 2009. Kaplan reported operating income of $99.1 million for the third quarter of 2010, up from $45.9 million in the third quarter of 2009. Results for the third quarter of 2009 included a goodwill and other long-lived assets impairment charge of $25.4 million related to two businesses at Kaplan Ventures.

For the first nine months of 2010, education division revenue totaled $2,202.0 million, a 14% increase over revenue of $1,927.4 million for the same period of 2009. Kaplan reported operating income of $266.0 million for the first nine months of 2010, up from $115.2 million for the first nine months of 2009. Results for the first nine months of 2010 included $7.8 million in restructuring costs related to Kaplan's K12 business; results for the first nine months of 2009 included $33.0 million in restructuring charges related to Score and Test Preparation operations and a $25.4 million goodwill and other long-lived assets impairment charge related to two businesses at Kaplan Ventures.

A summary of Kaplan's operating results for the third quarter and the first nine months of 2010 compared to 2009 is as follows:

(In thousands)	Third Quarter			YTD		
	2010	2009	% Change	2010	2009	% Change
Revenue						
Higher education	$465,703	$408,537	14	$1,383,396	$1,118,971	24
Test prep, excluding Score	101,491	108,386	(6)	313,006	332,314	(6)
Score	—	205	—	—	8,557	—
Kaplan international	151,208	138,089	10	422,582	382,066	11
Kaplan ventures	24,865	31,102	(20)	85,903	91,628	(6)
Kaplan corporate	1,375	728	89	3,949	1,941	—
Intersegment elimination	(1,323)	(2,531)	—	(6,812)	(8,108)	—
	$743,319	$684,516	9	$2,202,024	$1,927,369	14
Operating income (loss)						
Higher education	$117,319	$ 90,026	30	$ 329,455	$ 203,744	62
Test prep, excluding Score	(2,368)	3,898	—	(9,731)	20,882	—
Score	—	(371)	—	—	(36,539)	—
Kaplan international	14,904	8,311	79	32,376	27,304	19
Kaplan ventures	(11,428)	(7,864)	(45)	(25,351)	(14,134)	(79)
Kaplan corporate	(16,756)	(15,484)	(8)	(45,148)	(38,535)	(17)
Kaplan stock compensation	2,397	(1,697)	—	1,310	(5,155)	—
Amortization of intangible assets	(4,998)	(5,617)	11	(16,629)	(17,247)	4
Impairment of goodwill and other long-lived assets	—	(25,387)	—	—	(25,387)	—
Intersegment elimination	30	85	—	(252)	236	—
	$ 99,100	$ 45,900	—	$ 266,030	$ 115,169	—

Kaplan Higher Education (KHE). KHE includes Kaplan's domestic postsecondary education businesses, made up of fixed-facility colleges and online postsecondary and career programs. KHE revenue and operating income grew in the first nine months of 2010 due to enrollment growth, improved student retention and increased margins. Total KHE enrollments increased 8% compared to enrollments at September 30, 2009. KHE enrollments in the prior year increased 28% compared to enrollments at September 30, 2008. A summary of KHE student enrollments at September 30, 2010, and September 30, 2009, is as follows:

	As of September 30,		
	2010	2009	% Change
Kaplan University	67,752	56,115	21
Kaplan Higher Education Campuses	44,389	47,734	(7)
	112,141	103,849	8

Kaplan University and KHE Campuses enrollments at September 30, 2010, and September 30, 2009, by degree and certificate programs are as follows:

	As of September 30,	
	2010	2009
Certificate	22.2%	27.1%
Associate's	34.7%	32.9%
Bachelor's	35.7%	35.4%
Master's	7.4%	4.6%
	100%	100%

Department of Education (DOE) Rulemaking and "Kaplan Commitment" Program. In October 2010, the DOE released rules that address program integrity issues for postsecondary education institutions that participate in Title IV programs. The rules include, among other items, state approval processes, DOE program approval processes, revised standards governing the payment of incentive compensation to admissions and financial aid advisors, standards around misrepresentation and the definition of "credit

hour.” The Company is taking steps to fully comply with these rules but cannot currently predict the impact that these rules will have on its operations and future operating results.

In July 2010, the DOE released a notice of proposed rulemaking addressing substantive measurements for whether an educational program leads to gainful employment in a recognized occupation for purposes of that program’s eligibility for Title IV funds. The proposed rulemaking addressing the definition of gainful employment includes provisions whereby students at a program level must demonstrate certain levels of student loan repayment and/or a program’s graduates must achieve certain debt-to-income ratios for the institution’s program to remain eligible for participation in the Title IV program. If a program fails to meet some or all of these proposed requirements, the program’s eligibility to participate in the Title IV program may be restricted or lost entirely. Some of the data needed to compute program eligibility under this proposed regulation is not readily accessible to the institutions, but is compiled by the DOE.

The Company cannot currently predict with reasonable accuracy the impact the proposed regulation would have on its program offerings if it were enacted in its current form. However, the Company expects that this regulation if enacted as proposed would significantly impact Kaplan’s operating results as some or all institutions owned by Kaplan might be required to limit program offerings to ensure compliance with the restrictions of the proposed gainful employment rule. The Company has filed public comments related to the proposed rulemaking on gainful employment. The DOE plans to issue final rules in early 2011 for an effective date on July 1, 2012.

In September 2010, KHE announced a new program entitled the “Kaplan Commitment,” which has commenced and will be fully operational by the end of 2010. Under this program, students of Kaplan University, Kaplan College and other KHE schools may enroll in classes for several weeks and assess whether their educational experience meets their needs and expectations before incurring a financial obligation. Kaplan will also conduct academic assessments to help determine whether students are likely to be successful in their chosen course of study. Students who choose to withdraw from the program during this time frame (“risk-free period”) and students who do not pass the academic evaluation will not have to pay for the coursework. In general, the risk-free period is approximately four weeks for diploma programs and five weeks for Associate’s and Bachelor’s degrees.

This program and related initiatives are designed to benefit students and will likely have a significant impact on the future operations of KHE, including student enrollment and retention, tuition revenues, operating income and cash flow. Based on historical student withdrawal and performance patterns and assuming students who withdrew during early academic terms would have instead availed themselves of the Kaplan Commitment, management estimates that KHE revenues would have been approximately $100 million less in the first nine months of 2010 had the provisions of the Kaplan Commitment commenced on January 1, 2010. Management is not able to estimate whether the Kaplan Commitment will cause student retention patterns to differ from historical levels or whether additional students will be attracted to Kaplan as a result of the risk-free offering.

The recent and potential rulemaking activities and the “Kaplan Commitment” could have a material adverse effect on Kaplan’s operating results.

U.S. Senate Committee Review. In the summer of 2010, the Health, Education, Labor and Pension Committee (“the HELP Committee”) of the U.S. Senate commenced an industry-wide review of private sector higher education institutions. The institutions owned and operated by KHE are included in the scope of this industry-wide review. The scope of the hearings are being established and directed by the chairman of the HELP Committee. Hearings have been conducted thus far and additional hearings are anticipated. The ultimate outcome of the hearings and implications to the operation of KHE’s institutions are presently unknown.

As part of the HELP Committee’s review of private sector higher education institutions, investigators from the United States Government Accountability Office (GAO) performed undercover tests at 15 private sector higher education institutions, including two campuses of KHE. In August 2010, the GAO issued a report which was critical of the recruiting tactics at several schools, including the two Kaplan campuses. The Company has evaluated the GAO findings, conducted an internal investigation and taken appropriate action.

On August 5, 2010 the HELP Committee sent a document request to numerous proprietary schools including Kaplan. The HELP Committee indicated that it is interested in investigating the receipt and use of federal student loan funds at proprietary higher education institutions, and potentially proposing additional legislation related to the sector. KHE is complying with the request. At this time we cannot predict the ultimate impact the investigation may have on Kaplan.

Test Preparation. Test Preparation includes Kaplan's standardized test preparation and tutoring offerings, as well as the domestic professional training business, K12 and other businesses. In the first quarter of 2010, the Company discontinued certain offerings of the K12 business; $7.8 million in severance, asset write-offs and other closure costs were recorded in the first nine months of 2010 in connection with this plan. Test preparation revenue declined 6% in both the third quarter and first nine months of 2010. Excluding acquisitions, test preparation revenue declined 10% and 9% for the third quarter and first nine months of 2010, respectively, due mostly to the termination of certain K12 offerings. Test preparation operating results were also down in the first nine months of 2010 due to K12, reduced prices at the traditional test preparation programs and higher spending to expand online offerings and innovate various programs. The declines were offset by improved results at test preparation's domestic professional training businesses due to expense reductions; total restructuring-related expenses of $0.9 million and $8.1 million were recorded in the third quarter and first nine months of 2009, respectively.

Kaplan Test Preparation recently announced a plan to reorganize its business consistent with the migration of students to Kaplan's online and hybrid test preparation offerings. In conjunction with this plan, Kaplan intends to reduce the number of leased test preparation centers over the next 18 months. The Company estimates that approximately $20.0 million in costs will be incurred related to this plan, mostly comprised of charges related to early lease termination and property, plant and equipment write-downs.

In March 2009, the Company approved a plan to close its Score tutoring centers. The Company recorded charges of $24.9 million in asset write-downs, lease terminations, severance and accelerated depreciation of fixed assets in the first half of 2009.

Kaplan International. Kaplan International includes professional training and postsecondary education businesses outside the United States, as well as English-language programs. Kaplan International revenue increased 10% and 11% in the third quarter and first nine months of 2010, respectively, with increases in operating income for these periods as well. The increases in revenue and operating income for 2010 are primarily the result of enrollment growth in the pathway and other higher education programs in the U.K., Singapore and Australia. The rise in revenue is also due to increased English-language program revenue and favorable exchange rates in Europe, Australia and Singapore.

Kaplan Ventures. Kaplan Ventures is made up of a number of businesses in various stages of development that are managed separately from the other education businesses. Revenues at Kaplan Ventures declined 20% in the third quarter and decreased 6% in the first nine months of 2010, respectively; these revenue comparisons were adversely impacted by the April 2010 sale of a business unit within the division. Kaplan Ventures reported operating losses of $11.4 million and $25.4 million in the third quarter and first nine months of 2010, respectively, compared to operating losses of $7.9 million and $14.1 million in the third quarter and first nine months of 2009, respectively. The decline in results for the first nine months of 2010 is due to the sale of the above noted business, decreased operating margins at several of Kaplan Ventures' established businesses, and increased investment in certain developing business units, including Kaplan Virtual Education, a developing group of online high school institutions. A goodwill and other long-lived assets impairment charge of $25.4 million was recorded at Kaplan in the third quarter of 2009 related to certain Kaplan Ventures businesses, as the book value of these businesses exceeded their estimated fair value.

Corporate. Corporate represents unallocated expenses of Kaplan, Inc.'s corporate office and other minor shared activities.

Stock Compensation. Stock compensation relates to incentive compensation arising from equity awards under the Kaplan stock option plan. Kaplan recorded a stock compensation credit of $2.4 million and $1.3 million for the third quarter and first nine months of 2010, respectively, compared to stock compensation expense of $1.7 million and $5.2 million for the third quarter and first nine months of 2009, respectively. The stock compensation credit for 2010 relates to an estimated decline in the fair value of Kaplan common stock since the end of 2009.

Cable Television Division. Cable television division revenue declined slightly for the third quarter of 2010 to $188.7 million, from $189.6 million for the third quarter of 2009; for the first nine months of 2010, revenue increased 2% to $568.6 million, from $559.8 million in the same period of 2009. The revenue increase for the first nine months of 2010 is due to continued growth of the division's cable modem and telephone revenues.

Cable division operating income was $40.3 million for the third quarter of 2010 and 2009; cable division operating income for the first nine months of 2010 increased 4% to $126.6 million, from $122.1 million for the first nine months of 2009. The increase in operating income is due to the division's revenue growth, offset by increased technical and sales costs.

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At September 30, 2010, Revenue Generating Units (RGUs) were up 2% from the prior year due to growth in high-speed data and telephony subscribers, offset by a decrease in basic and digital subscribers. RGUs include about 6,200 subscribers who receive free basic cable service, primarily local governments, schools and other organizations as required by the various franchise agreements. A summary of RGUs is as follows:

Cable Television Division Subscribers	September 30, 2010	September 30, 2009
Basic	650,902	677,751
Digital	214,071	221,564
High-speed data	416,690	388,567
Telephony	137,709	105,211
Total	1,419,372	1,393,093

Below are details of Cable division capital expenditures for the first nine months of 2010 and 2009, as defined by the NCTA Standard Reporting Categories (in millions):

	2010	2009
Customer Premise Equipment	$16.1	$21.0
Commercial	0.7	—
Scaleable Infrastructure	37.8	17.3
Line Extensions	5.0	8.2
Upgrade/Rebuild	4.3	7.6
Support Capital	14.0	12.7
Total	$77.9	$66.8

Newspaper Publishing Division. Newspaper publishing division revenue totaled $163.4 million for the third quarter of 2010, an increase of 5% from revenue of $156.3 million for the third quarter of 2009; division revenue increased 1% to $491.9 million for the first nine months of 2010, from $485.9 million for the first nine months of 2009. Print advertising revenue at The Washington Post in the third quarter of 2010 increased 3% to $72.0 million, from $70.0 million in the third quarter of 2009, but decreased 4% to $215.9 million for the first nine months of 2010, from $224.4 million for the first nine months of 2009. The print revenue increase in the third quarter of 2010 is largely due to an increase in general advertising; the decline in the first nine months of 2010 is largely due to reductions in retail and classified advertising. Revenue generated by the Company's newspaper online publishing activities, primarily washingtonpost.com and Slate, increased 21% to $27.2 million for the third quarter of 2010, versus $22.6 million for the third quarter of 2009; newspaper online revenues increased 14% to $77.8 million for the first nine months of 2010, versus $68.1 million for the first nine months of 2009. Display online advertising revenue grew 26% and 21% for the third quarter and first nine months of 2010, respectively. Online classified advertising revenue on washingtonpost.com increased 6% for the third quarter of 2010, but decreased 1% for the first nine months of 2010.

For the first nine months of 2010, Post daily and Sunday circulation declined 8.7% and 8.3%, respectively, compared to the same periods of the prior year. A portion of this decline relates to increased circulation volumes in the first quarter of 2009 due to the Presidential Inauguration. For the nine months ended October 3, 2010, average daily circulation at The Washington Post totaled 548,400, and average Sunday circulation totaled 770,800.

As previously disclosed, The Washington Post contributes to multiemployer plans on behalf of three union-represented employee groups. The Post has negotiated in collective bargaining the contractual right to withdraw from two of these plans; the right to withdraw from the CWA-ITU Negotiated Pension Plan (CWA-ITU Plan) has been the subject of contract negotiations that reached an impasse. In July 2010, the Post notified the union and the CWA-ITU Plan of its unilateral withdrawal from the Plan effective November 30, 2010. In connection with this action, The Washington Post has recorded a $20.4 million charge based on an estimate of the withdrawal liability; $17.7 million of this charge was recorded in the second quarter of 2010, and $2.7 million was recorded in the third quarter of 2010.

As previously reported, The Washington Post recorded early retirement program expense of $56.8 million in the second quarter of 2009, and Robinson Terminal Warehouse Corporation recorded early retirement program expense of $1.1 million in the third quarter of 2009. The costs of these early retirement programs are being funded mostly from the assets of the Company's pension plans. Also as previously reported, the Post closed a printing plant in July 2009 and consolidated its printing operations. The Post also completed the consolidation of certain other operations in Washington, DC, in the first quarter of 2010. In connection with these activities, accelerated depreciation of $6.1 million and $33.8 million was recorded in the third quarter and first nine months of 2009, respectively, and a $3.1 million loss on an office lease was recorded by the Company in the first quarter of 2010.

The newspaper division reported an operating loss of $1.7 million in the third quarter of 2010, compared to an operating loss of $23.6 million in the third quarter of 2009. For the first nine months of 2010, the newspaper division reported an operating loss of $29.8 million, compared to an operating loss of $166.7 million for the first nine months of 2009. Excluding the multiemployer pension plan charge, early retirement program expense and accelerated depreciation, operating results improved in the first nine months of 2010 due to expense reductions in payroll, newsprint, depreciation, bad debt and agency fees, and expense reductions at washingtonpost.com. Newsprint expense increased 10% for the third quarter of 2010 due to an increase in newsprint prices, offset by a decline in newsprint consumption. Newsprint expense decreased 16% for the first nine months of 2010 due to a decline in newsprint consumption, offset by an increase in newsprint prices.

Television Broadcasting Division. Revenue for the television broadcasting division increased 29% in the third quarter of 2010 to $83.2 million, from $64.6 million in 2009; operating income for the third quarter of 2010 increased 68% to $25.3 million, from $15.1 million in 2009. For the first nine months of 2010, revenue increased 24% to $239.3 million, from $192.4 million in 2009; operating income for the first nine months of 2010 increased 83% to $76.0 million, from $41.5 million in 2009.

The increase in revenue and operating income is due to improved advertising demand in all markets and most product categories, particularly automotive. The increased revenue and operating income also includes $5.1 million in incremental winter Olympics-related advertising at the Company's NBC affiliates in the first quarter of 2010, and a $9.0 million and $14.5 million increase in political advertising revenue for the third quarter and first nine months of 2010, respectively.

Other Businesses. Other businesses includes the operating results of Avenue100 Media Solutions and other small businesses. In the third quarter of 2010, a goodwill and other long-lived assets impairment charge of $27.5 million was recorded at Avenue100 Media Solutions, the Company's digital marketing business that sources leads for academic institutions and recruiting organizations.

In the third quarter of 2010, the Company performed an interim review of the carrying value of goodwill and other intangible assets at its online lead generation business for possible impairment, as a result of challenges facing the lead generation business due to the changing regulatory environment for private sector higher education institutions. The online lead generation reporting unit failed step one of the interim goodwill impairment review, and the Company performed a step two analysis. The Company used a discounted cash flow model to determine the estimated fair value of the reporting unit. A market value approach was also utilized to supplement the discounted cash flow model. The Company made estimates and assumptions regarding future cash flows, discount rates, long-term growth rates and market values to determine the reporting unit's estimated fair value. The methodology used to estimate the fair value of the Company's lead generation business reporting unit was consistent with the one used during the Company's 2009 annual goodwill impairment test. The Company recorded a goodwill and other long-lived assets impairment charge of $27.5 million related to the reporting unit. Following the impairment, the remaining goodwill balance at the reporting unit as of October 3, 2010 was not significant. There exists a reasonable possibility that a decrease in the projected cash flows or long-term growth rate, or an increase in the discount rate assumption used in the discounted cash flow model of this reporting unit, could result in additional impairment charges.

Corporate Office. Corporate office includes the expenses of the Company's corporate office and the pension credit previously reported in the magazine publishing division (refer to Discontinued Operations discussion below).

Equity in Earnings (Losses) of Affiliates. The Company's equity in earnings of affiliates for the third quarter of 2010 was $2.1 million, compared to losses of $27.2 million for the third quarter of 2009. For the first nine months of 2010, the Company's equity in losses of affiliates totaled $3.9 million, compared to losses of $28.2 million for the same period of 2009.

Results for the third quarter of 2009 included $29.0 million in write-downs at two of the Company's affiliate investments. The loss primarily related to an impairment charge recorded on the Company's interest in Bowater Mersey Paper Company.

Other Non-Operating Income (Expense). The Company recorded other non-operating income, net, of $12.5 million for the third quarter of 2010, compared to other non-operating income, net, of $0.1 million for the third quarter of 2009. The third quarter 2010 non-operating income, net, included $11.9 million in unrealized foreign currency gains and other items.

The Company recorded other non-operating income, net, of $4.0 million for the first nine months of 2010, compared to other non-operating income, net, of $15.8 million for the same period of the prior year. The 2010 non-operating expense, net, included $4.8 million in unrealized foreign currency gains and other items. The 2009 non-operating income, net, included $18.4 million in unrealized foreign currency gains, offset by $2.9 million in impairment write-downs on cost method investments and other items.

As noted above, a large part of the Company's non-operating income (expense) is from unrealized foreign currency gains or losses arising from the translation of British pound and Australian dollar-denominated intercompany loans into U.S. dollars.

Net Interest Expense. The Company incurred net interest expense of $7.0 million for the third quarter of 2010 and 2009, and $21.3 million for the first nine months of 2010 and 2009. At October 3, 2010, the Company had $399.5 million in borrowings outstanding at an average interest rate of 7.2%.

Provision for Income Taxes. The effective tax rate for the third quarter and first nine months of 2010 was 41.1% and 39.4%, respectively. The higher effective rate in 2010 is primarily due to $9.1 million from nondeductible goodwill in connection with an impairment charge recorded in the third quarter of 2010.

The effective tax rate for the third quarter and first nine months of 2009 was 36.0%. The low effective tax rate for 2009 was due primarily to favorable adjustments recorded in the third quarter of 2009 for a reduction in state income taxes and for prior year permanent federal tax deductions, offset by $3.3 million from nondeductible goodwill in connection with the impairment charge recorded in the third quarter of 2009.

Discontinued Operations. On September 30, 2010, the Company completed the sale of Newsweek. Consequently, the Company's income from continuing operations for the third quarter and year-to-date periods excludes magazine publishing operations, which have been reclassified to discontinued operations, net of tax. Under the terms of the asset purchase agreement, The Washington Post Company retained the pension assets and liabilities, certain employee obligations arising prior to the sale and other items. A loss of $11.5 million from the Newsweek sale is included in discontinued operations.

Newsweek employees were participants in The Washington Post Company Retirement Plan, and Newsweek was historically allocated a net pension credit. Since this net pension credit will be included in income from continuing operations in the future, it has been excluded from the reclassification of Newsweek results to discontinued operations. The pension cost arising from early retirement programs at Newsweek, however, is included in discontinued operations.

Earnings Per Share. The calculation of diluted earnings per share for the third quarter and first nine months of 2010 was based on 8,904,453 and 9,112,564 weighted average shares outstanding, respectively, compared to 9,401,010 and 9,399,501, respectively, for the third quarter and first nine months of 2009. In the first nine months of 2010, the Company repurchased 739,935 shares of its Class B common stock at a cost of $277.0 million. On September 23, 2010, the Company's Board of Directors authorized the Company to acquire up to 750,000 shares of its Class B common stock. The Company did not announce a ceiling price or a time limit for the purchases. The authorization included 16,312 shares that remained under the previous authorization.

Financial Condition: Capital Resources and Liquidity

Acquisitions and Dispositions. In the second quarter of 2010, the Company made two small acquisitions in its Cable divisions and in Other businesses. In the first quarter of 2010, Kaplan made one small acquisition in its Kaplan Ventures division. The Company did not make any acquisitions during the third quarter of 2010. On September 30, 2010, the Company completed the sale of Newsweek. Consequently, the Company's income from continuing operations for the third quarter and year-to-date periods excludes Newsweek results, which have been reclassified to discontinued operations. In the second quarter of 2010, Kaplan completed the sale of Education Connection, which was part of the Kaplan Ventures division.

In the first nine months of 2009, the Company completed business acquisitions totaling approximately $8.1 million. This included the acquisition of a company at the Kaplan International division in the third quarter of 2009, as well as a small acquisition by the Company in the second quarter of 2009. This also included $3.2 million of additional purchase consideration recorded to goodwill in the second quarter of 2009, in connection with the achievement of certain operating results by a company acquired by Kaplan in 2007. The purchase consideration was contingent on the achievement of certain future operating results and therefore was not included in the Company's purchase accounting as of December 30, 2007. The Company did not make any acquisitions during the first quarter of 2009.

Capital expenditures. During the first nine months of 2010, the Company's capital expenditures totaled $159.2 million. The Company estimates that its capital expenditures will be in the range of $220 million to $245 million in 2010.

Liquidity. The Company's borrowings increased by $0.2 million, to $399.5 million at October 3, 2010, as compared to borrowings of $399.3 million at January 3, 2010. At October 3, 2010, the Company has $577.9 million in cash and cash equivalents, compared to $477.7 million at January 3, 2010. The Company had money market investments of $342.5 million and $327.8 million that are classified as cash and cash equivalents in the Company's condensed consolidated Balance Sheets as of October 3, 2010 and January 3, 2010, respectively.

The Company's total debt outstanding of $399.5 million at October 3, 2010 included $396.5 million of 7.25% unsecured notes due February 1, 2019 and $3.0 million in other debt.

The Company has a $500 million revolving credit facility that expires in August 2011, which supports the issuance of the Company's short-term commercial paper and provides for general corporate purposes. The Company did not issue any commercial paper in the first nine months of 2010.

In August 2010, Standard & Poor's revised the Company's long-term outlook to negative from stable; the Company's "A" long-term corporate credit and senior unsecured ratings and "A-1" short-term commercial rating remained unchanged. Moody's lowered the Company's long-term rating in October 2010 to "A2" from "A1", confirmed the "Prime-1" commercial paper rating and changed the ratings outlook to negative. The Company's current credit ratings are as follows:

	Moody's	Standard & Poor's
Long-term	A2	A
Short-term	Prime-1	A-1

During the third quarter of 2010 and 2009, the Company had average borrowings outstanding of approximately $399.5 million and $399.2 million, respectively, at average annual interest rates of approximately 7.2%. During the third quarter of 2010 and 2009, the Company incurred net interest expense of $7.0 million.

During the first nine months of 2010 and 2009, the Company had average borrowings outstanding of approximately $399.4 million and $434.9 million, respectively, at average annual interest rates of approximately 7.2% and 6.8%, respectively. During the first nine months of 2010 and 2009, the Company incurred net interest expense of $21.3 million.

At October 3, 2010 and January 3, 2010, the Company had working capital of $351.7 million and $398.5 million, respectively. The Company maintains working capital levels consistent with its underlying business requirements and consistently generates cash from operations in excess of required interest or principal payments. The Company expects to fund its estimated capital needs primarily through existing cash balances and internally generated funds. In management's opinion, the Company will have ample liquidity to meet its various cash needs throughout 2010.

There were no significant changes to the Company's contractual obligations or other commercial commitments from those disclosed in the Company's Annual Report on Form 10-K for the year ended January 3, 2010.

Critical Accounting Policies and Estimates

Goodwill and Other Intangible Assets. The Company reviews its indefinite-lived intangible assets annually, as of November 30, for possible impairment or between annual tests if an event occurred or circumstances changed that would more likely than not reduce the fair value of the reporting unit below its carrying value. The Company uses a discounted cash flow model and in certain cases, a market value approach is also utilized to supplement the discounted cash flow model, to determine the estimated fair value of the indefinite-lived intangible assets. The Company makes estimates and assumptions regarding future cash flows, discount rates, long-term growth rates and other market values to determine the estimated fair value of the indefinite-lived intangible assets.

The Company's intangible assets with an indefinite life are principally from franchise agreements at its cable television division. These franchise agreements result from agreements the Company has with state and local governments that allow the Company to contract and operate a cable business within a specified geographic area. The Company expects its cable franchise agreements to provide the Company with substantial benefit for a period that extends beyond the foreseeable horizon, and the Company's cable television division historically has obtained renewals and extensions of such agreements for nominal costs and without material modifications to the agreements. The franchise agreements represent 93% of the $530.7 million of indefinite-lived intangible assets of the Company as of October 3, 2010. The Company grouped the recorded values of its various cable franchise agreements into regional cable television systems or units of account.

The key assumptions used by the Company to determine the fair value of its franchise agreements as of November 30, 2009, the date of its last annual impairment review, were as follows:

- Expected cash flows underlying the Company's business plans for the periods 2010 through 2019, assuming the only assets the unbuilt start-up cable television systems possess are the various franchise agreements. The expected cash flows took into account the estimated initial capital investment in the system region's physical plant and related start-up costs, revenues, operating margins and growth rates. These cash flows and growth rates were based on forecasts and long-term business plans and take into account numerous factors including historical experience, anticipated economic conditions, changes in the cable television systems' cost structures, homes in each region's service area, number of subscribers based on penetration of homes passed by the systems, and expected revenues per subscriber.

- Cash flows beyond 2019 were projected to grow at a long-term growth rate, which the Company estimated by considering historical market growth trends, anticipated cable television system performance, and expected market conditions.
- The Company used a discount rate of 8.3% to risk adjust the cash flow projections in determining the estimated fair value.

The estimated fair value of the Company's franchise agreements exceeded their respective carrying values by a margin in excess of 50%. There is always a possibility that impairment charges could occur in the future given changes in the cable television market and U.S. economic environment, as well as the inherent variability in projecting future operating performance.

Pension Costs. The Company's net pension cost (credit) includes an expected return on plan assets component, calculated using the expected return on plan assets assumption applied to a market-related value of plan assets. The market-related value of plan assets is determined using a 5-year average market value method, which recognizes realized and unrealized appreciation and depreciation in market values over a 5-year period. The value resulting from applying this method is adjusted, if necessary, such that it cannot be less than 80% or more than 120% of the market value of plan assets as of the relevant measurement date. As a result, year-to-year increases or decreases in the market-related value of plan assets impact the return on plan assets component of pension cost for the year.

At the end of each year, differences between the actual return on plan assets and the expected return on plan assets are combined with other differences in actual versus expected experience to form a net unamortized actuarial gain or loss in accumulated other comprehensive income. Only those net actuarial gains or losses in excess of the deferred realized and unrealized appreciation and depreciation are potentially subject to amortization. The types of items that generate actuarial gains and losses that may be subject to amortization in net periodic pension cost (credit) include:

- Asset returns that are more or less than the expected return on plan assets for the year;
- Actual participant demographic experience different from assumed (retirements, terminations and deaths during the year);
- Actual salary increases different from assumed; and
- Any changes in assumptions that are made to better reflect anticipated experience of the plan or to reflect current market conditions on the measurement date (discount rate, longevity increases, changes in expected participant behavior and expected return on plan assets).

Amortization of the unrecognized actuarial gain or loss is included as a component of expense for a year if the magnitude of the net unamortized gain or loss in accumulated other comprehensive income exceeds 10% of the greater of the benefit obligation or the market-related value of assets (10% corridor). The amortization component is equal to that excess divided by the average remaining service period of active employees expected to receive benefits under the plan. At the end of 2007, the Company had net unamortized actuarial gains in accumulated other comprehensive income potentially subject to amortization that were outside the 10% corridor that resulted in amortized gains of $6,168,000 being included in 2008 pension cost. Primarily as a result of the significant pension asset losses during 2008, increased life expectations and a decrease in the discount rate, the Company had net unamortized actuarial losses in accumulated other comprehensive income potentially subject to amortization that were outside the corridor that resulted in amortized losses of $40,000 being included in 2009 pension cost. During 2009, there were pension asset gains that were offset by the impact of an increase in the discount rate. The Company currently estimates that there will be no net unamortized actuarial gains or losses in accumulated other comprehensive income potentially subject to amortization outside the corridor and therefore, no amortized gain or loss amounts included in pension cost (credit) in 2010.

Forward-Looking Statements

This report contains certain forward-looking statements that are based largely on the Company's current expectations. Forward-looking statements are subject to various risks and uncertainties that could cause actual results or events to differ materially from those anticipated in such statements. For more information about these forward-looking statements and related risks, please refer to the section titled "Forward-Looking Statements" in Part I of the Company's Annual Report on Form 10-K for the fiscal year ended January 3, 2010.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The Company is exposed to market risk in the normal course of its business due primarily to its ownership of marketable equity securities, which are subject to equity price risk; to its borrowing and cash-management activities, which are subject to interest rate risk; and to its foreign business operations, which are subject to foreign exchange rate risk. The Company's market risk disclosures set forth in its 2009 Annual Report filed on Form 10-K have not otherwise changed significantly.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

An evaluation was performed by the Company's management, with the participation of the Company's Chief Executive Officer (the Company's principal executive officer) and the Company's Senior Vice President-Finance (the Company's principal financial officer), of the effectiveness of the Company's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)), as of October 3, 2010. Based on that evaluation, the Company's Chief Executive Officer and Senior Vice President-Finance have concluded that the Company's disclosure controls and procedures, as designed and implemented, are effective in ensuring that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms and is accumulated and communicated to management, including the Chief Executive Officer and Senior Vice President-Finance, in a manner that allows timely decisions regarding required disclosure.

(b) Changes in Internal Control Over Financial Reporting

There has been no change in the Company's internal control over financial reporting during the quarter ended October 3, 2010 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

A purported class action complaint was filed against the Company, Donald E. Graham and Hal S. Jones on October 28, 2010, in the U.S. District Court for the District of Columbia, by the Plumbers Local #200 Pension Fund. The complaint alleges that the Company and certain of its officers made materially false and misleading statements, or failed to disclose material facts relating to Kaplan Higher Education, in violation of the federal securities laws. The complaint seeks damages, attorneys' fees, costs and equitable/injunctive relief. Based on an initial review of this complaint, the Company believes the complaint is without merit and intends to vigorously defend against it.

Item 1A. Risk Factors

The Company faces a number of significant risks and uncertainties in connection with its operations, as discussed in Part I, "Item 1A. Risk Factors" in the Company's Annual Report on Form 10-K for the year ended January 3, 2010. Those risks, except to the extent they are updated or amended below, are incorporated herein by this reference. The risks described in the Company's Annual Report on Form 10-K and updated or amended below, may not be the only ones facing the Company. Additional risks and uncertainties not presently known, or currently deemed immaterial, could have a material adverse effect on the Company's business, financial condition or results of operations.

Risks Related to Extensive Regulation of Kaplan Higher Education (KHE)

Rulemaking by the U.S. Department of Education (DOE) could result in regulatory changes that could have a material adverse effect on Kaplan's business.

On October 28, 2010, the DOE issued final rules that address program integrity issues for postsecondary education institutions that participate in Title IV programs, which will take effect on July 1, 2011. The DOE expects to issue final rules in early 2011 related to the definition of gainful employment, which are expected to take effect on July 1, 2012. The Company cannot predict the substance of the final rules related to the definition of gainful employment. In connection with both of these rulemaking activities, the Company filed public comments that collectively address issues related to state authorization, substantial misrepresentation, incentive compensation, and the definition of gainful employment under Title IV. The Company also raised concerns about metrics regarding gainful employment and institution-specific repayment rate data released by the DOE. Under the proposed regulations, if a particular program does not meet the definition of "gainful employment," the program could be subject to increased disclosure requirements, limits on enrollment growth, termination of Title IV eligibility, and/or other consequences. If Kaplan students' repayment rates at the programmatic level are similar to the student repayment rates released by the DOE on August 13, 2010, and Kaplan's students do not meet the alternative debt-to-earnings ratio test, a significant number of Kaplan programs may be deemed either restricted or ineligible to receive Title IV funding. Thus, the gainful employment rules, if adopted as presently drafted, could have a material adverse effect on the future results of the Company's higher education division.

The Company is in the process of reviewing the final regulations published on October 28, 2010. The Company cannot predict how these regulations or any future regulations will be interpreted. Compliance with the final rules could affect how Kaplan conducts its business, and insufficient time or lack of sufficient guidance for compliance could have a material adverse effect on Kaplan's business. Uncertainty surrounding the final rules, interpretive regulations or guidance by the DOE may continue for some period of time and could have a material adverse effect on Kaplan's revenue, operating results, cash flow and operations.

Congressional examination of private sector higher education could lead to legislation or other governmental action that may materially and adversely affect Kaplan's business.

There has been increased focus by the U.S. Congress in 2010 on the role private sector education institutions play in higher education, including regarding participation in Title IV programs and U.S. Department of Defense oversight of tuition assistance for military service members attending for-profit colleges. Since June 2010, the Health, Education, Labor and Pensions Committee of the U.S. Senate ("HELP Committee") has held hearings to examine the proprietary education sector. As part of the HELP Committee's review, investigators from the United States Government Accountability Office (GAO) performed undercover tests at 15 private sector higher education institutions, including two campuses of KHE. In August 2010, the GAO issued a report which was critical of the recruiting tactics at several schools, including the two Kaplan campuses.

On August 5, 2010, the HELP Committee sent a document request to numerous proprietary schools including Kaplan. The information requested covered a broad range of business activities including detailed information relating to financial results, management, operations, personnel, recruiting, enrollment, graduation, student withdrawals, receipt of Title IV funds, accreditation, regulatory compliance and other items. KHE is complying with the request. The HELP Committee indicated that it is interested in investigating the receipt and use of federal student loan funds at proprietary higher education institutions, and potentially proposing additional legislation related to the sector. At this time, the Company cannot predict the ultimate impact the investigation may have on KHE, or the chances of or content of any such legislation.

Other Committees of the U.S. Congress have also held hearings into, among other things, the standards and procedures of accrediting agencies, credit hours and program length, and the portion of federal student financial aid going to for-profit institutions. A number of legislators have variously requested the GAO Office to review and make recommendations regarding, among other things, recruitment practices, educational quality, student outcomes, the sufficiency of integrity safeguards against waste, fraud and abuse in Title IV programs, and the percentage of proprietary institutions' revenue coming from Title IV and other federal funding sources. This increased activity may result in legislation, further rulemaking affecting participation in Title IV programs, and other governmental actions. In addition, concerns generated by Congressional or other activity, or media reports, may adversely affect enrollment in for-profit educational institutions.

The Company cannot predict the extent to which these activities could result in further investigations, legislation or rulemaking affecting the Company's participation in Title IV Programs, other governmental actions, and/or actions by state agencies or legislators or by accreditors. If any laws or regulations are adopted that significantly limit Kaplan's participation in Title IV Programs or the amount of student financial aid for which Kaplan's students are eligible, Kaplan's results of operations and cash flows would be adversely and materially impacted.

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The financial impact of the "Kaplan Commitment" program could be greater than Company estimates.

In September 2010, KHE announced a new program entitled the "Kaplan Commitment," which has commenced and will be fully operational by the end of 2010. Under this program, students of Kaplan University, Kaplan College and other KHE schools may enroll in classes for several weeks and assess whether their educational experience meets their needs and expectations before incurring a financial obligation. Kaplan will also conduct academic assessments to help determine whether students are likely to be successful in their chosen course of study. Students who choose to withdraw from the program during this time frame ("risk-free period") and students who do not pass the academic evaluation will not have to pay for the coursework. In general, the risk-free period is approximately four weeks for diploma programs and five weeks for Associate's and Bachelor's degrees. This program will likely have a significant adverse impact on the future operations of KHE, including student enrollment and retention, tuition revenues, operating income and cash flow. Based on historical student withdrawal and performance patterns and assuming students who withdrew during early academic terms would have instead availed themselves of the Kaplan Commitment, management estimates that KHE revenues would have been approximately $100 million less in the first nine months of 2010 had the provision of the Kaplan Commitment commenced on January 1, 2010. The Company's actual experience and the overall impact of this program could be worse than expected.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

During the quarter ended October 3, 2010, the Company purchased shares of its Class B Common Stock as set forth in the following table:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan*	Maximum Number of Shares That May Yet Be Purchased Under the Plan*
Jul. 5 - Aug. 8, 2010	—	$ —	—	656,312
Aug 9 - Sept. 5, 2010	564,316	363.38	564,316	91,996
Sept. 6 - Oct. 3, 2010	75,684	376.70	75,684	750,000
Total	640,000	$364.95	640,000	

* On January 21, 2010 and September 23, 2010, the Company's Board of Directors authorized the Company to purchase, on the open market or otherwise, up to 750,000 shares of its Class B Common Stock. There is no expiration date for that authorization. All purchases made during the quarter ended October 3, 2010, were open market transactions.

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Item 6. Exhibits.

Exhibit Number	Description
3.1	Restated Certificate of Incorporation of the Company dated November 13, 2003 (incorporated by reference to Exhibit 3.1 to the Company's Annual Report on Form 10-K for the fiscal year ended December 28, 2003).
3.2	Certificate of Designation for the Company's Series A Preferred Stock dated September 22, 2003 (incorporated by reference to Exhibit 3.2 to Amendment No. 1 to the Company's Current Report on Form 8-K dated September 22, 2003).
3.3	By-Laws of the Company as amended and restated through November 8, 2007 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated November 14, 2007).
4.1	Second Supplemental Indenture dated January 30, 2009, between the Company and The Bank of New York Mellon Trust Company, N.A., as successor to The First National Bank of Chicago, as Trustee (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K dated January 30, 2009).
4.2	Five Year Credit Agreement dated as of August 8, 2006, among the Company, Citibank, N.A., JPMorgan Chase Bank, N.A., Wachovia Bank, National Association, SunTrust Bank, The Bank of New York, PNC Bank, National Association, Bank of America, N.A. and Wells Fargo Bank, N.A. (incorporated by reference to Exhibit 4.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended July 2, 2006).
10.1	The Washington Post Company Deferred Compensation Plan as amended and restated through December 2007, and amended September 23, 2010.
31.1	Rule 13a-14(a)/15d-14(a) Certification of the Chief Executive Officer.
31.2	Rule 13a-14(a)/15d-14(a) Certification of the Chief Financial Officer.
32	Section 1350 Certification of the Chief Executive Officer and the Chief Financial Officer.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

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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: November 10, 2010

/S/ DONALD E. GRAHAM

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

Date: November 10, 2010

/S/ HAL S. JONES

Hal S. Jones,
Senior Vice President-Finance
(Principal Financial Officer)

Exhibit 10.1

THE WASHINGTON POST COMPANY

DEFERRED COMPENSATION PLAN

Amended and Restated December, 2007

Effective January 1, 2005

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THE WASHINGTON POST COMPANY

DEFERRED COMPENSATION PLAN

Section 1. Purpose.

The Washington Post Company Deferred Compensation Plan (the "Plan") is an unfunded plan established for the purpose of offering a select group of management and other highly compensated key employees and non-employee directors the opportunity to defer the receipt of compensation payments or fees that would otherwise become payable to them currently for the periods provided in the Plan.

This Plan is strictly a voluntary undertaking on the part of the Company and shall not be deemed to constitute a contract of employment or part of a contract between the Company and any employee or any employee of an Affiliate or any director, nor shall it be deemed to give any employee the right to be retained in the employ of the Company or an Affiliate, as the case may be, or to interfere with the right of the Company or an Affiliate, as the case may be, to discharge any employee at any time, or to establish the terms and conditions of employment of any employee nor shall it be deemed to give any director the right to be retained as a director of the Company.

Benefits from this Plan shall be payable solely from the general assets of the Company and participants herein shall not be entitled to look to any source for payment of such benefits other than the general assets of the Company.

To the extent Section 409A of the Internal Revenue Code of 1986 applies to the Plan, the terms of the Plan are intended to comply with Section 409A and shall be interpreted and administered in accordance with Section 409A and any governmental regulations and other guidance issued thereunder. To the extent any provision of this Plan that is intended to comply with Section 409A must be effective as of January 1, 2005, such provision shall be effective as of such date.

With respect to a Participant who terminated employment before January 1, 2005, any benefits payable hereunder shall be based on the terms of the Plan in effect on such termination of employment, and not on the terms of this amendment and restatement.

Section 2. Definitions.

As used in this Plan, the following words shall have the following meanings:

(a) "Affiliate" means any corporation (other than the Company) 50% or more of the outstanding stock of which is directly or indirectly owned by the Company and any unincorporated trade or business which is under common control with the Company as determined in accordance with Section 414(c) of the Code. The term Affiliate shall include any other entity required to be aggregated with the Company under Section 409A.

(b) "Annual Incentive Compensation" means any bonus awarded to a Participant and payable in cash under the Company's Incentive Compensation Plan or any other annual bonus program maintained by the Company or an Affiliate.

(c) "Beneficiary" means the person, persons or entity designated in writing by the Participant to receive his or her Participant Account in the event of his or her death. If no effective designation of beneficiary is on file with the Committee, then such amounts that would otherwise be payable to a Beneficiary will be paid to the surviving spouse of the Participant, or, if there is no surviving spouse, then to the Participant's estate.

(d) "Code" means the Internal Revenue Code of 1986, as amended. References herein to Section 409A and other sections of the Code shall apply to any successor provisions.

(e) "Committee" means the Compensation Committee of the Board of Directors or such other Committee appointed by the Board to administer the Plan.

(f) "Company" means The Washington Post Company, a Delaware Corporation, and any successors in interest thereto. Where required by context, the term "Company" shall include Affiliates.

(g) “Deferred Compensation” means any amounts deferred under this Plan in accordance with Section 3, together with any investment credits thereto under Section 4.

(h) “Designated Deferral Period” means one of the following periods as selected by the Participant with respect to his or her Deferred Compensation for the particular Plan Year or Short Year: (1) until a specified date in the future; or (2) until a date which is the end of the calendar month (or a designated subsequent period) following the month of the Participant’s Separation from Service from the Company or an Affiliate or Separation from Service as an Eligible Director, provided, however, that if a Participant (other than a director who has never been an employee of the Company) selects a date determined on the basis of the date of such Participant’s Separation from Service, then, notwithstanding such Participant’s election, the Designated Deferral Period for such Plan Year or Short Year shall end on the later of (i) the date selected by such Participant, or (ii) the end of the six-month period following the date of the Participant’s Separation from Service. Notwithstanding any other provision of this subparagraph or of this Plan and except as is otherwise required in the preceding sentence, a Participant may not defer the date on which payment of his or her Deferred Compensation is made or commences beyond the later of (i) the first of the calendar month following his or her 65th birthday, or (ii) the first day of the seventh calendar month following the month in which the Participant separates from service as an employee of the Company or an Affiliate or as a Director of the Company.

(i) “Effective Date” means November 15, 1996, in the case of employees of the Company or an Affiliate, and October 1, 1997, in the case of Eligible Directors.

(j) “Eligible Director” means any member of the Board of Directors of the Company who is not an employee of the Company or an Affiliate and who is entitled to receive fees for service as a director.

(k) “ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

(l) “Incentive Compensation” means Annual Incentive Compensation and Long-Term Incentive Compensation.

(m) “Investment Election” means an election filed by a Participant selecting the investment credit factor(s) that will be applicable to the Participant Accounts of the Participant. The Committee shall determine the manner in which Investment Elections may be made and the frequency with which such elections may be prospectively changed.

(n) “Long-Term Incentive Compensation” means any bonus awarded to a Participant and payable in cash under the Performance Unit provisions of the Company’s Incentive Compensation Plan or another special long-term incentive compensation plan maintained by the Company or an Affiliate that provides the opportunity for a cash bonus payment at the end of a specified period (minimum two years) based on the attainment of specific performance goals.

(o) “Participant” means (i) an employee of the Company or an Affiliate recommended by the Company’s senior management and designated a participant in this Plan by the Committee, who is within the category of a select group of management or highly compensated employees as referred to in Sections 201(2), 301(a)(3) and 401(a)(1) of ERISA for any Plan Year and who is a participant in the Company’s Incentive Compensation Plan or any other incentive program maintained by the Company or an Affiliate or (ii) an Eligible Director who elects to participate in the Plan.

(p) “Participant Account” includes separate accounts representing the value of a Participant’s Deferred Compensation with respect to each Plan Year or Short Year, and with respect to any amounts that are payable at different times or in different forms. A Participant may have more than one Participant Account, reflecting separate year deferral elections. A separate Participant Account or Accounts will be maintained for all grandfathered deferred compensation.

(q) “Payout Period” means either (i) a lump sum or (ii) a series of annual installments, which may not be less than 2 nor more than 10, over which a Participant Account shall be paid. Each installment shall be the balance in the Participant’s Account

as of the date of the distribution divided by the number of remaining installments (including the then current installment). The first installment shall be paid on the first day of the month following the end of the Deferral Period, and, except as provided below, each subsequent installment shall be paid on each anniversary of the payment date of the first installment. Effective for installments commencing on or after January 1, 2008 (that is, for installments in which the first installment is payable on or after January 1, 2008), the second and all subsequent installments shall be payable on each January 1 following the prior installment. If Participant's installment payments commenced before January 1, 2008, the Participant shall have two opportunities to elect to change the installment payment date to January 1 of the year in which the installment would otherwise have been paid. The first opportunity shall be on or before December 31, 2007 and shall be applicable to installments (other than the first installment of a series) payable in 2008 and later years. The second opportunity shall be on or before December 31, 2008 and shall be applicable to installments (other than the first installment of a series) payable in 2009 and later years.

(r) "Plan Year" means a calendar year.

(s) "Separation from Service" means a separation from service as defined in § 409A and the final regulations thereunder. In determining whether a Separation of Service has occurred, service as a Director is considered separately from service as an employee. It is not considered a Separation from Service when a Participant is transferred from the Company to an Affiliate or from an Affiliate to the Company or another Affiliate. A Separation from Service as an employee will be deemed to occur at any time that an employee and the Company reasonably anticipate that the bona fide level of services the employee will perform (whether as an employee or an independent contractor) will be permanently reduced to a level that is less than 50 percent of the average level of bona fide services the employee performed during the immediately preceding 36 months (or the entire period the employee has provided services if the employee has been providing services to the employer less than 36 months).

(t) "Short Year" means (i) the remainder of the Plan Year following the Effective Date of this Plan and (ii) the remainder of the Plan Year following the date an

employee or director first becomes a Participant in this Plan if other than the beginning of a Plan Year.

(u) "Specified Amount" means the portion of the Participant's Incentive Compensation for a particular Plan Year or Short Year which the Participant elects in writing to defer hereunder, provided that such amount shall not be less than $10,000 or the portion of the Participant's directors' fees for a particular Plan Year or Short Year which the Participant elects in writing to defer hereunder, as the case may be.

Section 3. Deferral Elections

(a) Subject to the limitations described below, each Participant may elect to have the payment of a Specified Amount of his or her Incentive Compensation or annual directors' fees, as the case may be, deferred pursuant to this Plan for the Designated Deferral Period.

(b) A deferral election must be an irrevocable written election made on a form prescribed by the Committee within a period specified by the Committee which, (I) for an employee Participant (1) in the case of Annual Incentive Compensation shall end no later than the last day of the Plan Year preceding the Plan Year for which such Incentive Compensation would be payable, and (2) in the case of Long-Term Incentive Compensation shall end no later than the last day of the Plan Year preceding the first Plan Year in the period for which such Incentive Compensation would be payable, and (II) for an Eligible Director, shall end no later than the last day of the Plan Year preceding the Plan Year in which the annual directors' fees are earned. Notwithstanding the foregoing, in the event any Incentive Compensation that constitutes performance-based compensation under Section 409A of the Code is payable with respect to any period of at least 12 months, the specified period established by the Committee for such Incentive Compensation shall end no later than six months before the end of the period for which such Incentive Compensation would be payable, provided that the Participant performs services continuously from the later of the beginning of the performance period or the date the

performance criteria are established through the date a deferral election is made, and provided further that an election to defer performance-based compensation may not be made after such compensation has become readily ascertainable. In the event of a Short Year, the specified period established by the Committee shall end no later than 30 days following the date the employee or Eligible Director first becomes eligible to participate in the Plan, and, except as otherwise permitted under Section 409A of the Code, such deferral election shall apply only to Incentive Compensation or annual directors' fees earned after the date of the Participant's deferral election.

(c) Each deferral election shall set forth the Specified Amount of the Participant's Incentive Compensation or annual directors' fees, as the case may be, for the period covered by the election that the Participant desires to have deferred, the Designated Deferral Period, and the Payout Period. After the latest date that a deferral election may be made, a Participant may not change the election, except as follows:

(I) Except as provided in Section 3(c)(II) below, a Participant may file a change in the Designated Deferral Period and/or the Payout Period with respect to his or her deferral election for any Plan Year or Short Year, provided that (1) such change will be given effect only if made at least 12 months before the end of the previously elected Designated Deferral Period (or at least 12 months before actual Separation from Service if the previously elected Designated Deferred Period was based on Separation from Service), and (2) any change in the Designated Deferral Period must extend the Designated Deferral Period for a minimum of 60 months. With respect to elections under this Section 3(c)(I) relating to installment payments, for purposes of applying Section 409A of the Code, a series of installment payments shall be treated as a single payment.

(II) On or before December 31, 2007, a Participant who had previously elected, to defer Incentive Compensation under the Plan may elect a new Designated Deferral Period and/or a new Payout Period with respect to such deferred Incentive Compensation, provided that the election (1) may not apply to an amount that would otherwise be payable in 2007 and (2) may not cause an amount to be paid in 2007 that would not otherwise be payable in 2007.

(d) The Committee may, from time to time, set limitations on the amount of a Participant's Incentive Compensation or directors' fees, as the case may be, which may be subject to deferral under this Plan, including but not limited to establishing annual limitations relating to particular employment positions or levels of Participants and/or compensation levels. Any applicable limitations will be set forth on the deferral election form relating to the Plan Year for which such limitations are applicable.

(e) A Participant will be 100% vested in his or her Participant Account at all times.

Section 4. Treatment of Deferred Amounts.

(a) The Company shall maintain on its books a separate Participant Account for each Participant who has deferred compensation under this Plan with respect to any Plan Year or Short Year. The amount of such Deferred Compensation shall be credited to such Participant Account on the date or dates during the Plan Year on which the Deferred Compensation would have been payable to the Participant but for the deferral under this Plan.

(b) Each Participant Account shall be deemed to earn investment credits reflecting gains or losses with respect to each Plan Year or Short Year in accordance with the Participant's individual Investment Election. The Committee shall determine the investment credit factors that will be offered in any Plan Year. Beginning with the applicable Effective Date, the investment credit factors will be the equivalent rates of return generated by the investment options offered under the 401(k) plan maintained by the Company covering eligible corporate office employees and shall continue to be such factors unless otherwise determined by the Committee.

(c) Each Participant must file an Investment Election at the time he or she first files a deferral election. The Investment Election will determine the investment credit factors that will be applicable to the Deferred Compensation in the Participant Accounts of such Participant. A Participant may file a new Investment Election at any time. In the event a Participant fails to complete a valid Investment Election, his or her Deferred

Compensation will be credited with the investment credit amounts equivalent to the rates of return generated by the money market option under the Company's 401(k) plan referred to above.

(d) The Company will add to (or subtract from) each Participant Account the appropriate amounts, in accordance with the Participant's Investment Election, calculated no less frequently than the last day of each calendar quarter.

(e) No assets shall be segregated or earmarked in respect of any Participant Account and no Participant shall have any right to assign, transfer, or pledge his or her interest, or any portion thereof, in his or her Participant Accounts. The Plan and the crediting of accounts hereunder shall not constitute a trust and shall merely be for the purpose of recording an unsecured contractual obligation. All amounts payable pursuant to the terms of this Plan shall be paid from the general assets of the Company.

(f) Until the entire balance in all of the Participant Accounts of a Participant has been paid in full, the Company will furnish or cause to be furnished to each Participant a report, at least annually, setting forth the credits and debits to each Participant Account and the status of all Participant Accounts of such Participant.

Section 5. Payment of Deferred Accounts.

(a) The amount to be paid to a Participant following the expiration of the Designated Deferral Period with respect to any Participant Account shall be computed on the basis of the balance of the Participant Account (i.e., the original Deferred Compensation amount plus and minus cumulative investment credits under Section 4 and minus any payments previously made) as of the payment date.

(b) All payments of amounts under this Plan shall be made in cash.

(c) Notwithstanding the Designated Deferral Period or the Payout Period selected by the Participant, if a Participant dies or becomes permanently disabled before the end of the Designated Deferral Period selected by the Participant, the entire Participant Account shall be payable in a lump sum to such Participant (or, in the case of death, to his

or her Beneficiary) as soon as practical but not more than 90 days following the Participant's death or permanent disability. A Participant is permanently disabled if the Participant is receiving income replacement benefits for a period of not less than three months under an accident and health plan of the Company by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months. .

(d) Notwithstanding any other provision of this Plan to the contrary, a Participant's Deferred Compensation shall become payable upon the Participant's incurring an unforeseeable emergency within the meaning of Section 409A of the Code. In such event, the amount of Deferred Compensation payable with respect to the unforeseeable emergency shall not exceed the amount necessary to satisfy the emergency plus the amount necessary to satisfy taxes reasonably anticipated as a result of the emergency payment; the amount necessary to satisfy the emergency shall be determined taking into account the extent to which the financial hardship caused by the emergency is or may be relieved through reimbursement or compensation by insurance or otherwise or by liquidation of the Participant's assets (to the extent the liquidation of such assets would not itself cause severe financial hardship).

(e) Notwithstanding anything in the Plan to the contrary, to the extent consistent with Section 409A of the Code, the Committee shall cause Deferred Compensation to be paid in accordance with a qualified domestic relations order as defined in Section 414(p) of the Code.

(f) The Committee shall have the authority to require deferral of a Participant's Deferred Compensation beyond the expiration of the Designated Deferral Period to the extent necessary to avoid a limitation on the deductibility by the Company of the deferred amount under Section 162(m) as permitted under Section 409A.

Section 6. Grandfathered Deferred Compensation

With respect to individually designated grandfathered Participants, the portion of such a Participant's benefit under the Plan that was accrued as of December 31, 2004, plus

any investment credits thereon, shall be payable under the terms of the Plan in effect before January 1, 2005. Individually designated grandfathered Participants shall include Diana Daniels.

Section 7. Administration and Amendment

(a) This Plan shall be administered by the Committee. All decisions and interpretations of the Committee shall be conclusive and binding on the Company, its Affiliates and the Participants. The Committee may at any time terminate an employee’s designation as a Participant, in which event the employee shall not be permitted to defer additional Incentive Compensation under the Plan. No such change in designation shall otherwise affect such a Participant’s rights under the Plan.

(b) The Board of Directors of the Company may at any time amend the Plan, including an amendment to suspend or terminate the right of Participants to defer Incentive Compensation and/or directors’ fees under the Plan. No such amendment shall adversely affect a Participant’s rights with respect to Deferred Compensation credited to a Participant Account before such amendment, including the right to be credited with investment credits for the period of time after such amendment as long as there continues to be a positive balance in the Participant Account. To the extent permitted under Section 409A of the Code, the Board of Directors may in its discretion terminate the Plan and distribute all Participant Accounts established under the Plan within twelve months of a change in control of the Company, as defined for purposes of Section 409A of the Code.

(c) Notwithstanding any other section of this Plan, if a Participant is discharged by the Company or an Affiliate or his or her services as a director are terminated because of conduct that the Participant knew or should have known was detrimental to legitimate interests of the Company or its Affiliates, dishonesty, fraud, misappropriation of funds or confidential, secret or proprietary information belonging to the Company or an Affiliate or commission of a crime, such Participant’s investment credits shall be reduced to the lesser of the Participant’s actual investment credits up to the date of discharge or the investment credits that would have been credited under the money market fund in the Company’s 401(k) plan (or the most similar fund if there is no money market fund in the Company’s

401(k) plan), and from the date of discharge to the date of payment hereunder, investment credits shall be at such money market rate.

(d) The Company's sole obligation under this Plan is to pay the benefits provided for herein and neither the Participant nor any other person shall have any legal or equitable right against the Company, any Affiliate, the Boards of Directors thereof, the Committee or any officer or employee of the Company or any Affiliate other than the right against the Company to receive such payments from the Company provided herein.

(e) The Company shall bear all expenses incurred by it in administering this Plan.

Section 8. Disputed Claims Procedure

If a Participant or Beneficiary (collectively, "Claimant") has a complaint about the Plan's operation or about Plan benefits, the Claimant has the right to have the complaint reviewed by the Committee. All complaints and claims for benefits must be submitted in writing. All such complaints must be submitted within the "applicable limitations period." The "applicable limitations period" is two years, beginning on the earlier of (i) the date on which the payment was made, or (ii) for all other claims, the date on which the action complained or grieved of occurred.

If a Claimant has applied for a benefit under the Plan and that claim as been denied, in whole or in part, the Claimant has the right to a review of the denial.

Within 60 days after a claim is received, the Claimant will be notified in writing by the Committee of its decision. If special circumstances require an extension of up to 60 additional days of time for processing, the Committee will provide written notice of the extension prior to the expiration of the initial 60-day period. If the claim is denied or partially denied, the written notice will outline:

- The specific reasons for the denial,
- The provisions of the Plan on which the denial is based,
- The procedures for having the request reviewed, and

- Additional information needed to process the request and an explanation of why this information is necessary.

The Claimant may ask for a review of the denied request within 60 days after receipt of the notice of denial. If an appeal is not filed within this 60-day period, an appeal cannot be filed at a later date.

To appeal a denial a Claimant must request a review by the Committee, or an appeals committee appointed by the Committee. Any such request must be in writing and include:

- The reasons that support the claim,
- The reasons the claim should not have been denied,
- All written evidence that supports the claim, and
- Any other appropriate issues or comments.

The appeal must include all documentary evidence necessary to support the claim and must state the reasons that the Claimant is eligible for the benefit claimed. The appeals committee will make its decision based on the record and the arguments that presented, including any evidence presented in the initial claim.

A Claimant is entitled to receive, upon request and free of charge, reasonable access to and copies of all documents, records and other information relevant to a claim. If this information is requested in order to perfect an appeal, or to file a claim, and there is a delay in providing it, the applicable time limits will be extended by the period of the delay. A Claimant may also request in writing that copies of the Plan document be made available for examination.

The Committee normally will reach a decision no later than 60 days after it receives a request for review. If needed, the Committee will send a written notice of an extension of this period of up to 60 additional days. The Committee's decision will be in writing and will include specific reasons for the decision and references to the Plan provisions that apply.

Legal action may not be brought against the Committee or the Company without first pursuing the claims procedures. Any legal action to recover a benefit under this Plan must be filed within one year of the Committee's decision on appeal. Failure to file suit within this time period will extinguish any right to benefits under the Plan.

IN WITNESS WHEREOF, the Company has caused this amendment and restatement of the Plan to be adopted by action of the Compensation Committee of the Board of Directors on this   day of December, 2007.

THE WASHINGTON POST COMPANY

By: ______________________________

Title: ______________________________

First Amendment

to

The Washington Post Company Deferred Compensation Plan
(as Amended and Restated December, 6, 2007, Effective January 1, 2005)

The Washington Post Company Deferred Compensation Plan, as amended and restated effective January 1, 2005 (the "Plan"), is hereby amended as follows:

1. Effective as of January 1, 2011, Section 2(h) (the definition of "Designated Deferral Period") is amended in its entirety to read as follows:

(h) "Designated Deferral Period" means one of the following periods as selected by the Participant with respect to his or her Deferred Compensation for the particular Plan Year or Short Year:

(1) until a specified date in the future; or

(2) until Separation from Service.

The following rules shall apply to the designation of the deferral period. In the case of a deferral until a specified date in the future, such date may not be later than the first day of the month following the Participant's 65th birthday. In the case of a deferral until Separation from Service, (except in the case of a director who has never been an employee of the Company) the deferral period shall end on the first day of the seventh month following Separation from Service. In the case of a director who has never been an employee of the Company, if the Participant elects a deferral until Separation from Service, the Participant may specify payment on the first day of a month (not later than the seventh) following Separation from Service. By way of example of the preceding sentence, a director who has never been an employee of the Company may specify payment on the first day of the first month following Separation from Service.

In the event a Participant selects a specified date that is not the first day of a month, the following rules shall apply. If the deferral election relates to compensation earned on or before December 31, 2010 (including performance based Incentive Compensation that would otherwise be payable in 2011 or earlier), and the Payout Period is installments, the payment date shall be the first day of the following month. If the deferral election relates to compensation earned after December 31, 2010, the payment date shall be the first day of the month containing the specified date.

2. Effective as of January 1, 2011, Section 2(q) (the definition of "Payout Period") is amended in its entirety to read as follows:

(q) "Payout Period" means either (i) a lump sum or (ii) a series of annual installments, which may not be less than 2 nor more than 10, over which a Participant Account shall be paid. Each installment shall be the balance in the Participant's Account as of the date of the distribution divided by the number of remaining installments (including the then current installment). The first installment shall be paid on date specified in the Designated Deferral period. Except as provided below, each subsequent installment shall be paid on each anniversary of the payment date of the first installment. Effective for installments commencing on or after January 1, 2008 (that is, for installments in which the first installment is payable on or after January 1, 2008), the second and all subsequent installments shall be payable on each January 1 following the prior installment. If a Participant's installment payments commenced before January 1, 2008, the Participant shall have two opportunities to elect to change the installment payment date to January 1 of the year in which the installment would otherwise have been paid. The first opportunity shall be on or before December 31, 2007 and shall be applicable to installments (other than the first installment of a series) payable in 2008 and later years. The second opportunity shall be on or before December 31, 2008 and shall be applicable to installments (other than the first installment of a series) payable in 2009 and later years.

IN WITNESS WHEREOF, the Company has caused this amendment of the Plan to be adopted by action of the Compensation Committee of the Board of Directors on this twenty-third day of September, 2010.

THE WASHINGTON POST COMPANY

By: /s/ Ann L. McDaniel

Ann L. McDaniel

Title: Senior Vice President

Exhibit 31.1

RULE 13a-14(a)/15d-14(a) CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER

I, Donald E. Graham, Chief Executive Officer (principal executive officer) of The Washington Post Company (the "Registrant"), certify that:

1. I have reviewed this quarterly report on Form 10-Q of the Registrant;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

/s/ Donald E. Graham

Donald E. Graham
Chief Executive Officer
November 10, 2010

Exhibit 31.2

RULE 13a-14(a)/15d-14(a) CERTIFICATION OF THE CHIEF FINANCIAL OFFICER

I, Hal S. Jones, Senior Vice President-Finance (principal financial officer) of The Washington Post Company (the "Registrant"), certify that:

1. I have reviewed this quarterly report on Form 10-Q of the Registrant;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of Registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

/s/ Hal S. Jones

Hal S. Jones
Senior Vice President-Finance
November 10, 2010

Exhibit 32

SECTION 1350 CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER AND THE CHIEF FINANCIAL OFFICER

In connection with the Quarterly Report of The Washington Post Company (the “Company”) on Form 10-Q for the period ended October 3, 2010 (the “Report”), Donald E. Graham, Chief Executive Officer of the Company and Hal S. Jones, Senior Vice President-Finance of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Donald E. Graham

Donald E. Graham
Chief Executive Officer
November 10, 2010

/s/ Hal S. Jones

Hal S. Jones
Senior Vice President-Finance
November 10, 2010