UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

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

For the Quarterly Period Ended June 30, 2012

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 193 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x. No ☐.

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File requ to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter per that the registrant was required to submit and post such files). Yes x. 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. S definition of "large accelerated filer," accelerated filer" and "small reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer x 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 x.

Shares outstanding at August 3, 2012:

Class A Common Stock – 1,219,383 Shares
Class B Common Stock – 6,225,472 Shares

THE WASHINGTON POST COMPANY

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

THE WASHINGTON POST COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

(In thousands, except per share amounts)	Three Months Ended June 30, 2012	Three Months Ended July 3, 2011	Six Months Ended June 30, 2012	Six Months Ended July 3, 2011
Operating Revenues				
Education	**$ 558,404**	$ 616,962	**$ 1,111,805**	$ 1,23
Advertising	**190,086**	193,352	**360,836**	37
Circulation and Subscriber	**219,286**	216,606	**434,516**	43
Other	**39,143**	34,338	**72,238**	6
	1,006,919	1,061,258	**1,979,395**	2,10
Operating Costs and Expenses				
Operating	**470,648**	500,766	**941,847**	97
Selling, general and administrative	**408,497**	409,173	**825,867**	85
Depreciation of property, plant and equipment	**62,978**	62,882	**125,479**	12
Amortization of intangible assets	**4,443**	6,338	**8,380**	1
	946,566	979,159	**1,901,573**	1,96
Income from Operations	**60,353**	82,099	**77,822**	13
Equity in earnings of affiliates, net	**3,314**	3,138	**7,202**	
Interest income	**775**	997	**1,844**	
Interest expense	**(8,979)**	(7,960)	**(18,142)**	(1
Other (expense) income, net	**(1,160)**	(2,591)	**7,428**	(2
Income from Continuing Operations Before Income Taxes	**54,303**	75,683	**76,154**	10
Provision for Income Taxes	**20,100**	27,900	**30,600**	3
Income from Continuing Operations	**34,203**	47,783	**45,554**	6
Income (Loss) from Discontinued Operations, Net of Tax	**17,844**	(2,020)	**38,061**	(
Net Income	**52,047**	45,763	**83,615**	6
Net (Income) Loss Attributable to Noncontrolling Interests	**(11)**	40	**(81)**	
Net Income Attributable to The Washington Post Company	**52,036**	45,803	**83,534**	6
Redeemable Preferred Stock Dividends	**(222)**	(230)	**(673)**	
Net Income Attributable to The Washington Post Company Common Stockholders	**$ 51,814**	$ 45,573	**$ 82,861**	$ 6
Amounts Attributable to The Washington Post Company Common Stockholders				
Income from continuing operations	**$ 33,970**	$ 47,593	**$ 44,800**	$ 6
Income (loss) from discontinued operations, net of tax	**17,844**	(2,020)	**38,061**	(
Net income attributable to The Washington Post Company common stockholders	**$ 51,814**	$ 45,573	**$ 82,861**	$ 6
Per Share Information Attributable to The Washington Post Company Common Stockholders				
Basic income per common share from continuing operations	**$ 4.48**	$ 6.00	**$ 5.85**	$
Basic income (loss) per common share from discontinued operations	**2.36**	(0.26)	**5.02**	
Basic net income per common share	**$ 6.84**	$ 5.74	**$ 10.87**	$
Basic average number of common shares outstanding	**7,431**	7,852	**7,473**	
Diluted income per common share from continuing operations	**$ 4.48**	$ 6.00	**$ 5.85**	$
Diluted income (loss) per common share from discontinued operations	**2.36**	(0.26)	**5.02**	
Diluted net income per common share	**$ 6.84**	$ 5.74	**$ 10.87**	$
Diluted average number of common shares outstanding	**7,545**	7,933	**7,580**	

See accompanying Notes to Condensed Consolidated Financial Statements.

THE WASHINGTON POST COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

	Three Months Ended		Six Months Ended	
(In thousands)	**June 30, 2012**	July 3, 2011	**June 30, 2012**	July [illegible] 2011
Net Income	**$ 52,047**	$ 45,763	**$ 83,615**	$ [illegible]
Other Comprehensive Income (Loss), Before Tax				
Foreign currency translation adjustments:				
Translation adjustments arising during the period	**(8,911)**	5,088	**(1,088)**	[illegible]
Adjustment for sales of businesses with foreign operations	**8**	—	**521**	
	(8,903)	5,088	**(567)**	[illegible]
Unrealized gains (losses) on available-for-sale securities:				
Unrealized gains (losses) for the period	**6,590**	(22,315)	**38,905**	(1[illegible]
Reclassification adjustment for gain or write-down on available-for-sale securities included in net income	**(772)**	—	**(772)**	[illegible]
	5,818	(22,315)	**38,133**	[illegible]
Pension and other postretirement plans:				
Amortization of net prior service credit included in net income	**(470)**	(465)	**(921)**	
Amortization of net actuarial loss (gain) included in net income	**2,590**	(128)	**4,247**	
Foreign affiliate pension adjustments	**—**	—	**—**	[illegible]
	2,120	(593)	**3,326**	[illegible]
Cash flow hedge, net change	**(1,342)**	—	**(1,377)**	
Other Comprehensive (Loss) Income, Before Tax	**(2,307)**	(17,820)	**39,515**	[illegible]
Income tax (expense) benefit related to items of other comprehensive income	**(2,638)**	9,100	**(16,031)**	[illegible]
Other Comprehensive (Loss) Income, Net of Tax	**(4,945)**	(8,720)	**23,484**	[illegible]
Comprehensive Income	**47,102**	37,043	**107,099**	[illegible]
Comprehensive income attributable to noncontrolling interests	**(17)**	(3)	**(107)**	
Total Comprehensive Income Attributable to The Washington Post Company	**$ 47,085**	$ 37,040	**$ 106,992**	$ [illegible]

See accompanying Notes to Consolidated Financial Statements.

THE WASHINGTON POST COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands)	June 30, 2012 (Unaudited)	December 3 2011
Assets		
Current Assets		
Cash and cash equivalents	**$ 264,119**	$ 38
Restricted cash	**19,997**	2
Investments in marketable equity securities and other investments	**423,945**	33
Accounts receivable, net	**355,753**	39
Income taxes receivable	**12,343**	1
Deferred income taxes	**3,212**	1
Inventories	**6,673**	
Other current assets	**78,716**	7
Total Current Assets	**1,164,758**	1,24
Property, Plant and Equipment, Net	**1,117,421**	1,15
Investments in Affiliates	**21,721**	1
Goodwill, Net	**1,398,503**	1,41
Indefinite-Lived Intangible Assets, Net	**530,502**	53
Amortized Intangible Assets, Net	**50,787**	5
Prepaid Pension Cost	**537,467**	53
Deferred Charges and Other Assets	**56,443**	6
Total Assets	**$ 4,877,602**	$ 5,01
Liabilities and Equity		
Current Liabilities		
Accounts payable and accrued liabilities	**$ 492,244**	$ 49
Deferred revenue	**360,492**	38
Dividends declared	**18,461**	
Short-term borrowings	**3,173**	11
Total Current Liabilities	**874,370**	99
Postretirement Benefits Other Than Pensions	**69,440**	6
Accrued Compensation and Related Benefits	**224,086**	22
Other Liabilities	**112,108**	10
Deferred Income Taxes	**542,241**	54
Long-Term Debt	**452,569**	45
Total Liabilities	**2,274,814**	2,39
Redeemable Noncontrolling Interest	**6,821**	
Redeemable Preferred Stock	**11,096**	1
Preferred Stock	**—**	
Common Stockholders' Equity		
Common stock	**20,000**	2
Capital in excess of par value	**245,393**	25
Retained earnings	**4,589,287**	4,56
Accumulated other comprehensive income, net of tax		
Cumulative foreign currency translation adjustment	**20,771**	2
Unrealized gain on available-for-sale securities	**103,238**	8
Unrealized gain on pensions and other postretirement plans	**65,621**	6
Cash flow hedge	**(817)**	
Cost of Class B common stock held in treasury	**(2,458,622)**	(2,398
Total Equity	**2,584,871**	2,60
Total Liabilities and Equity	**$ 4,877,602**	$ 5,01

See accompanying Notes to Condensed Consolidated Financial Statements.

THE WASHINGTON POST COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(In thousands)	Six Months Ended June 30, 2012	July 3, 2011
Cash Flows from Operating Activities:		
Net Income	**$ 83,615**	$ 6
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation of property, plant and equipment	**126,276**	12
Amortization of intangible assets	**8,738**	1
Net pension expense (benefit)	**4,634**	(
Early retirement program expense	**1,022**	
Foreign exchange gain	**(68)**	(3
Net gain on sales of businesses	**(26,459)**	
Net (gain) loss on sale or write-down of marketable equity securities	**(505)**	3
Equity in earnings of affiliates, net of distributions	**(7,202)**	(6
(Benefit) provision for deferred income taxes	**(11,698)**	
Net (gain) loss on sale or write-down of property, plant and equipment and other assets	**(8,398)**	
Change in assets and liabilities:		
Decrease in accounts receivable, net	**32,736**	4
Increase in inventories	**(102)**	(3
Decrease in accounts payable and accrued liabilities	**(24,145)**	(44
Decrease in deferred revenue	**(15,702)**	(28
Decrease in income taxes receivable	**3,823**	
Decrease (increase) in other assets and other liabilities, net	**2,292**	(29
Other	**850**	
Net Cash Provided by Operating Activities	**169,707**	18
Cash Flows from Investing Activities:		
Purchases of property, plant and equipment	**(97,830)**	(92
Net proceeds from sales of businesses, property, plant and equipment and other assets	**73,959**	
Purchase of marketable equity securities and other investments	**(46,133)**	(4
Investments in certain businesses, net of cash acquired	**(8,971)**	(79
Other	**1,623**	
Net Cash Used in Investing Activities	**(77,352)**	(168
Cash Flows from Financing Activities:		
Repayment of commercial paper, net	**(109,671)**	
Common shares repurchased	**(74,472)**	(131
Dividends paid	**(37,775)**	(38
Other	**11,438**	1
Net Cash Used in Financing Activities	**(210,480)**	(153
Effect of Currency Exchange Rate Change	**1,145**	
Net Decrease in Cash and Cash Equivalents	**(116,980)**	(138
Beginning Cash and Cash Equivalents	**381,099**	43
Ending Cash and Cash Equivalents	**$ 264,119**	$ 29

See accompanying Notes to Condensed Consolidated Financial Statements.

THE WASHINGTON POST COMPANY
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

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 opera cable television systems, newspaper publishing (principally The Washington Post), and television broadcasting (through the ownership and operation o television broadcast stations).

Financial Periods – In the fourth quarter of 2011, the Company changed its fiscal quarter from a thirteen week quarter ending on the Sunday nearest calendar quarter-end to a quarterly month end. The fiscal quarters for 2012 and 2011 ended on June 30, 2012, March 31, 2012, July 3, 2011, and Apr 2011, respectively. Subsidiaries of the Company report on a calendar-quarter basis, with the exception of most of the newspaper publishing operations which report on a thirteen week quarter ending on the Sunday nearest the calendar quarter-end.

Basis of Presentation – The accompanying condensed consolidated financial statements have been prepared in accordance with: (i) generally accep accounting principles in the United States of America ("GAAP") for interim financial information; (ii) the instructions to Form 10-Q; and (iii) the guidance 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 Secur and Exchange Commission ("SEC"). They include the assets, liabilities, results of operations and cash flows of the Company, including its domestic ar foreign subsidiaries that are more than 50% owned or otherwise controlled by the Company. As permitted under such rules, certain notes and other fin 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 flows as of and for the periods presented herein. The Company's results of operations for the three and six months ended June 30, 2012 and July 3, 2 may not be indicative of the Company's future results. These condensed consolidated financial statements are unaudited and should be read in conjur 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 fis year ended December 31, 2011.

The year-end condensed consolidated balance sheet data was derived from audited financial statements, but does not include all disclosures required 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 certain Kaplan businesses 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 fina statements in conformity with GAAP requires management to make estimates and judgments that affect the amounts reported herein. Management ba its estimates and assumptions on historical experience and on various other factors that are believed to be reasonable under the circumstances. Due t inherent uncertainty involved in making estimates, actual results reported in future periods may be affected by changes in those estimates.

Recently Adopted and Issued Accounting Pronouncements – In June 2011, the Financial Accounting Standards Board ("FASB") issued an amend standard to increase the prominence of items reported in other comprehensive income. The amendment eliminates the option to present components other comprehensive income as part of the statement of changes in stockholders' equity and requires that all changes in stockholders' equity be prese either in a single continuous statement of comprehensive income or in two separate but consecutive statements. In addition, the amendment requires companies to present on the face of the financial statements reclassification adjustments for items that are reclassified from other comprehensive inco net income in the statement(s) where the components of net income and the components of other comprehensive income are presented. The amendm does not affect how earnings per share is calculated or presented. This amendment is effective for interim and fiscal years beginning after December 1 2011 and must be applied retrospectively. In December 2011, the FASB deferred the requirements related to the presentation of reclassification adjust until further deliberations have taken place. Entities should continue to report reclassifications out of accumulated other comprehensive income consis with the presentation requirements in effect prior to the issuance of the June 2011 amended standard. The adoption of the amendment not deferred by FASB in the first quarter of 2012 is reflected in the Company's Condensed Consolidated Statements of Comprehensive Income.

In July 2012, the FASB issued new guidance that amends the current indefinite-lived intangible assets impairment testing process. The new guidance permits an entity to first assess qualitative factors to determine whether it is more likely than not that the fair value of its indefinite-lived intangible asse less than its carrying amount as a basis for determining whether it is necessary to perform the quantitative impairment test. Previous guidance require entity to test indefinite-lived intangible assets for impairment, on at least an annual basis, by comparing the fair value of an indefinite-lived intangible a with its carrying amount. The new guidance is effective for annual and interim impairment tests performed for fiscal years beginning after September 1 2012. Early adoption is permitted if an entity's financial statements for the most recent period have not yet been issued. The Company plans to early a this guidance at the beginning of the fourth quarter of 2012 and the guidance will not have an effect on the Company's Condensed Consolidated Finan Statements.

2. DISCONTINUED OPERATIONS

In April 2012, the Company completed the sale of Kaplan EduNeering. Under the terms of the agreement, the purchaser acquired the stock of EduNee and received substantially all the assets and liabilities. In the second quarter of 2012, the Company recorded an after-tax gain of $18.5 million related t sale, subject to final net working capital adjustments, which is included in Income (Loss) from Discontinued Operations, Net of Tax in the Company's Condensed Consolidated Statement of Operations for the three and six months ended June 30, 2012. In February 2012, Kaplan completed the stock s Kaplan Learning Technologies (KLT) and recorded an after-tax loss on the sale of $1.9 million, which is included in Income (Loss) from Discontinued Operations, Net of Tax in the Company's Condensed Consolidated Statement of Operations for the six months ended June 30, 2012.

The Company recorded $23.2 million of income tax benefits in the first quarter of 2012 in connection with the sale of its stock in EduNeering and KLT r to the excess of the outside stock tax basis over the net book value of the net assets disposed.

In October 2011, Kaplan completed the sale of Kaplan Compliance Solutions (KCS) and in July 2011, Kaplan completed the sale of Kaplan Virtual Education (KVE). The results of operations of EduNeering, KLT, KCS and KVE, for the second quarter and first six months of 2012 and 2011, where applicable, are included in the Company's Condensed Consolidated Statements of Operations as Income (Loss) from Discontinued Operations, Net of All corresponding prior period operating results presented in the Company's condensed consolidated financial statements and the accompanying note have been reclassified to reflect the discontinued operations presented. The Company did not reclassify its Condensed Consolidated Statements of Ca Flows or prior year Condensed Consolidated Balance Sheet to reflect the discontinued operations.

The summarized Income (Loss) from Discontinued Operations, Net of Tax, for the three and six months ended June 30, 2012 and July 3, 2011 is pres below:

	Three Months Ended		Six Months Ended	
(in thousands)	**June 30, 2012**	July 3, 2011	**June 30, 2012**	July 3, 2011
Operating revenues	**$ 518**	$ 24,618	**$ 7,309**	$ 4
Operating costs and expenses	**(1,485)**	(27,838)	**(8,620)**	(5
Loss from discontinued operations	**(967)**	(3,220)	**(1,311)**	(
Benefit from income taxes	**(270)**	(1,200)	**(459)**	(
Net Loss from Discontinued Operations	**(697)**	(2,020)	**(852)**	(
Gain on sale of discontinued operations	**29,541**	—	**26,459**	
Provision for (benefit from) income taxes on sale of discontinued operations	**11,000**	—	**(12,454)**	
Income (Loss) from Discontinued Operations, Net of Tax	**$ 17,844**	$ (2,020)	**$ 38,061**	$ (

3. INVESTMENTS

Investments in marketable equity securities at June 30, 2012 and December 31, 2011 comprised the following:

(in thousands)		June 30, 2012		December 2011
Total cost	**$**	**213,831**	$	1
Net unrealized gains		**172,064**		1
Total Fair Value	**$**	**385,895**	$	3

The Company invested $45.0 million in marketable equity securities during the first six months of 2012. There were no new investments in marketable equity securities during the first six months of 2011. During the first six months of 2012, proceeds from sales of marketable equity securities were $2.0 million, and net realized gains on such sales were $0.5 million. There were no sales of marketable equity securities in the first six months of 2011.

At the end of the first quarter of 2011, the Company's investment in Corinthian Colleges, Inc. had been in an unrealized loss position for over six mont The Company evaluated this investment for other-than-temporary impairment based on various factors, including the duration and severity of the unre loss, the reason for the decline in value and the potential recovery period, and the Company's ability and intent to hold the investment. In the first quar 2011, the Company concluded the loss was other-than-temporary and recorded a $30.7 million write-down on the investment. The investment continu decline and in the third quarter of 2011, the Company recorded another $23.1 million write-down on the investment. The Company's investment in Corinthian Colleges, Inc. accounted for $21.5 million of the total fair value of the Company's investments in marketable equity securities at June 30, 2

4. ACQUISITIONS AND DISPOSITIONS

In the first six months of 2012, the Company acquired four small businesses in its education division and other businesses segment; the purchase pric allocation mostly comprised goodwill and other intangible assets on a preliminary basis. In the first six months of 2011, the Company acquired four businesses. In the second quarter of 2011, Kaplan acquired three businesses in its Kaplan International division. These acquisitions included Kaplan's 2011 acquisitions of Franklyn Scholar and Carrick Education Group, leading national providers of vocational training and higher education in Australia. June 2011, Kaplan acquired Structuralia, a provider of e-learning for the engineering and infrastructure sector in Spain. The assets and liabilities of the companies acquired have been recorded at their estimated fair values at the date of acquisition.

Kaplan completed the sales of EduNeering in April 2012 and Kaplan Learning Technologies in February 2012, which were part of the Kaplan Ventures division. In July 2011, Kaplan completed the sale of Kaplan Virtual Education, which was part of Kaplan Ventures division.

5. GOODWILL AND OTHER INTANGIBLE ASSETS

Amortization of intangible assets for the three months ended June 30, 2012 and July 3, 2011 was $4.5 million and $7.4 million, respectively. Amortizat intangible assets for the six months ended June 30, 2012 and July 3, 2011 was $8.7 and $14.2 million. Amortization of intangible assets is estimated t approximately $9 million for the remainder of 2012, $14 million in 2013, $8 million in 2014, $6 million in 2015, $5 million in 2016, $6 million in 2017 and million thereafter.

The changes in the carrying amount of goodwill, by segment, for the six months ended June 30, 2012 were as follows:

(in thousands)	Education	Cable Television	Newspaper Publishing	Television Broadcasting	Other Businesses	Total
Balance as of December 31, 2011						
Goodwill	$ 1,116,615	$ 85,488	$ 81,183	$ 203,165	$ 100,152	$ 1,5
Accumulated impairment losses	(8,492)	—	(65,772)	—	(97,342)	(17
	1,108,123	85,488	15,411	203,165	2,810	1,4
Acquisitions	**7,364**	**—**	**4,098**	**—**	**—**	
Dispositions	**(27,373)**	**—**	**—**	**—**	**—**	**(2**
Foreign currency exchange rate changes and other	**(583)**	**—**	**—**	**—**	**—**	
Balance as of June 30, 2012						
Goodwill	**1,087,531**	**85,488**	**85,281**	**203,165**	**100,152**	**1,5**
Accumulated impairment losses	**—**	**—**	**(65,772)**	**—**	**(97,342)**	**(16**
	$ 1,087,531	**$ 85,488**	**$ 19,509**	**$ 203,165**	**$ 2,810**	**$ 1,3**

The changes in carrying amount of goodwill at the Company's education division for the six months ended June 30, 2012 were as follows:

(in thousands)		Higher Education		Test Preparation		Kaplan International		Kaplan Ventures		Total
Balance as of December 31, 2011										
Goodwill	$	409,128	$	152,187	$	515,936	$	39,364	$	1,116
Accumulated impairment losses		—		—		—		(8,492)		(8
		409,128		152,187		515,936		30,872		1,108
Acquisitions		**—**		**—**		**7,364**		**—**		**7**
Dispositions		**—**		**—**		**—**		**(27,373)**		**(27,**
Foreign currency exchange rate changes and other		**(21)**		**—**		**623**		**(1,185)**		**(**
Balance as of June 30, 2012										
Goodwill		**409,107**		**152,187**		**523,923**		**2,314**		**1,087**
Accumulated impairment losses		**—**		**—**		**—**		**—**		
	$	**409,107**	**$**	**152,187**	**$**	**523,923**	**$**	**2,314**	**$**	**1,087**

Other intangible assets consist of the following:

		As of June 30, 2012						As of December 31, 2011					
(in thousands)	Useful Life Range		Gross Carrying Amount		Accumulated Amortization		Net Carrying Amount		Gross Carrying Amount		Accumulated Amortization		Net Carrying Amount
Amortized Intangible Assets													
Non-compete agreements	**2-5 years**	**$**	**14,297**	**$**	**11,633**	**$**	**2,664**	$	14,493	$	10,764	$	
Student and customer relationships	**2-10 years**		**65,851**		**37,727**		**28,124**		75,734		47,888		2
Databases and technology	**3-5 years**		**10,514**		**8,974**		**1,540**		10,514		8,159		
Trade names and trademarks	**2-10 years**		**32,323**		**16,592**		**15,731**		36,222		18,936		1
Other	**1-25 years**		**9,563**		**6,835**		**2,728**		9,971		6,565		
		$	**132,548**	**$**	**81,761**	**$**	**50,787**	$	146,934	$	92,312	$	5
Indefinite-Lived Intangible Assets													
Franchise agreements		**$**	**496,321**					$	496,321				
Wireless licenses			**22,150**						22,150				
Licensure and accreditation			**7,862**						7,862				
Other			**4,169**						4,308				
		$	**530,502**					$	530,641				

6. DEBT

The Company's borrowings consist of the following:

(in thousands)		June 30, 2012		December 3 2011
7.25% unsecured notes due February 1, 2019	**$**	**397,272**	$	39
Commercial paper borrowings		**—**		10
AUD 50M borrowing		**51,168**		5
Other indebtedness		**7,302**		
Total Debt		**455,742**		50
Less: current portion		**(3,173)**		(11
Total Long-Term Debt	**$**	**452,569**	$	45

The Company's other indebtedness at June 30, 2012 and December 31, 2011 is at interest rates from 0% to 6% and matures from 2012 to 2017 and 2 to 2016, respectively.

During the three months ended June 30, 2012 and July 3, 2011, the Company had average borrowings outstanding of approximately $455.5 million ar $401.2 million, respectively, at average annual interest rates of approximately 7.0% and 7.2%. During the three months ended June 30, 2012 and July 2011, the Company incurred net interest expense of $8.2 million and $7.0 million, respectively.

During the six months ended June 30, 2012 and July 3, 2011, the Company had average borrowings outstanding of approximately $472.0 million and $400.6 million, respectively, at average annual interest rates of approximately 7.0% and 7.2%. During the six months ended June 30, 2012 and July 3, the Company incurred net interest expense of $16.3 million and $13.9 million, respectively.

At June 30, 2012, the fair value of the Company's 7.25% unsecured notes, based on quoted market prices, totaled $464.5 million, compared with the carrying amount of $397.3 million. At December 31, 2011, the fair value of the Company's 7.25% unsecured notes, based on quoted market prices, tot $460.5 million, compared with the carrying amount of $397.1 million. The carrying value of the Company's other unsecured debt at June 30, 2012 approximates fair value.

7. EARNINGS PER SHARE

The Company's earnings per share from continuing operations (basic and diluted) for the three and six months ended June 30, 2012 and July 3, 2011 presented below:

(in thousands, except per share amounts)	Three Months Ended June 30, 2012	Three Months Ended July 3, 2011	Six Months Ended June 30, 2012	Six Months Ended July 3 2011
Income from continuing operations attributable to The Washington Post Company common stockholders	**$ 33,970**	$ 47,593	**$ 44,800**	$ (
Less: Amount attributable to participating securities	**(670)**	(486)	**(1,079)**	
Basic income from continuing operations attributable to The Washington Post Company common stockholders	**$ 33,300**	$ 47,107	**$ 43,721**	$ (
Plus: Amount attributable to participating securities	**670**	486	**1,079**	
Diluted income from continuing operations attributable to The Washington Post Company common stockholders	**$ 33,970**	$ 47,593	**$ 44,800**	$ (
Basic weighted average shares outstanding	**7,431**	7,852	**7,473**	
Plus: Effect of dilutive shares related to stock options and restricted stock	**114**	81	**107**	
Diluted weighted average shares outstanding	**7,545**	7,933	**7,580**	
Income Per Share from Continuing Operations Attributable to The Washington Post Company Common Stockholders:				
Basic	**$ 4.48**	$ 6.00	**$ 5.85**	$
Diluted	**$ 4.48**	$ 6.00	**$ 5.85**	$

For the three and six months ended June 30, 2012, the basic earnings per share computed under the two-class method is lower than the diluted earni per share computed under the if-converted method for participating securities, resulting in the presentation of the lower amount in diluted earnings per share. The diluted earnings per share amounts for the three and six months ended June 30, 2012 exclude the effects of 125,044 and 113,294 stock op outstanding, respectively, as their inclusion would have been antidilutive. The diluted earnings per share amounts for the three and six months ended J 30, 2012 exclude the effects of 42,500 restricted stock awards, as their inclusion would have been antidilutive. The diluted earnings per share amounts the three and six months ended July 3, 2011 exclude the effects of 89,850 and 79,850 stock options outstanding, respectively, as their inclusion would been antidilutive.

In the three and six months ended June 30, 2012, the Company declared regular dividends totaling $2.45 and $7.35 per share, respectively. In the thre six months ended July 3, 2011, the Company declared regular dividends totaling $2.35 and $7.05 per share, respectively.

8. PENSION AND POSTRETIREMENT PLANS

Defined Benefit Plans. The total cost (benefit) arising from the Company's defined benefit pension plans for the three and six months ended June 30 2012 and July 3, 2011, consists of the following components:

(in thousands)	Pension Plans Three Months Ended June 30, 2012	Three Months Ended July 3, 2011	Six Months Ended June 30, 2012	Six Months Ended July 3 2011
Service cost	**$ 8,701**	$ 6,760	**$ 17,808**	$ 1
Interest cost	**14,829**	14,964	**29,420**	3
Expected return on assets	**(24,510)**	(24,064)	**(48,522)**	(4
Amortization of prior service cost	**919**	882	**1,856**	
Recognized actuarial loss	**2,503**	—	**4,072**	
Net Periodic Cost (Benefit)	**2,442**	(1,458)	**4,634**	(
Early retirement programs expense	**—**	—	**1,022**	
Total Cost (Benefit)	**$ 2,442**	$ (1,458)	**$ 5,656**	$ (

In the first quarter of 2012, the Company offered a Voluntary Retirement Incentive Program to certain employees of Post-Newsweek Media and record early retirement program expense of $1.0 million. In the first quarter of 2011, the Company offered a Voluntary Retirement Incentive Program to certain employees of Robinson Terminal Warehouse and recorded early retirement program expense of $0.4 million. The early retirement program expense fo these programs is funded from the assets of the Company's pension plans.

Effective August 1, 2012, the Company's defined benefit pension plan was amended to provide most of the current participants with a new cash balan benefit. The new cash balance benefit will be funded by the assets of the Company's pension plans. As a result of this new benefit, effective August 1, the Company's matching contribution for its 401(k) Savings Plans has been reduced.

The total cost arising from the Company's Supplemental Executive Retirement Plan (SERP) for the three and six months ended June 30, 2012 and Ju 2011, consists of the following components:

	SERP			
	Three Months Ended		Six Months Ended	
(in thousands)	**June 30, 2012**	July 3, 2011	**June 30, 2012**	July 3 2011
Service cost	**$ 366**	$ 380	**$ 733**	$
Interest cost	**1,061**	1,084	**2,121**	
Amortization of prior service cost	**13**	65	**27**	
Recognized actuarial loss	**459**	353	**917**	
Total Cost	**$ 1,899**	$ 1,882	**$ 3,798**	$

Defined Benefit Plan Assets. The Company's defined benefit pension obligations are funded by a portfolio made up of a relatively small number of st and high-quality fixed-income securities that are held by a third-party trustee. As of June 30, 2012 and December 31, 2011, the assets of the Company pension plans were allocated as follows:

	June 30, 2012	December 3 2011
U.S. equities	**68 %**	
U.S. fixed income	**11 %**	
International equities	**21 %**	
	100 %	

Essentially all of the assets are actively managed by two investment companies. The goal of the investment managers is to produce moderate long-ter 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 eq and fixed-income securities and cash. The managers are not permitted to invest in securities of the Company or in alternative investments. The investr 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 th securities of any other single issuer, except for obligations of the U.S. Government, without receiving prior approval by the Plan administrator. As of Ju 2012, the managers can invest no more than 24% of the assets in international stocks at the time the investment is made, and no less than 10% of the assets could be invested in fixed-income securities. None of the assets is managed internally by the Company.

In determining the expected rate of return on plan assets, the Company considers the relative weighting of plan assets, the historical performance of to plan assets and individual asset classes and economic and other indicators of future performance. In addition, the Company may consult with and con 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 assets) of credit risk as of June 30, 2012. Types of concentrations that were evaluated include, but are not limited to, investment concentrations in a si entity, type of industry, foreign country and individual fund. Assets included $167.6 million and $154.0 million of Berkshire Hathaway common stock at 30, 2012 and December 31, 2011, respectively. At June 30, 2012 the Company held investments in one foreign country which exceeded 10% of total p assets. These investments were valued at $193.6 million and $241.4 million at June 30, 2012 and December 31, 2011, respectively, or approximately and 13%, respectively, of total plan assets.

Other Postretirement Plans. The total benefit arising from the Company's other postretirement plans for the three and six months ended June 30, 20
and July 3, 2011, consists of the following components:

(in thousands)	Three Months Ended June 30, 2012	Three Months Ended July 3, 2011	Six Months Ended June 30, 2012	Six Months Ended July 3 2011
Service cost	**$ 779**	$ 718	**$ 1,557**	$
Interest cost	**684**	765	**1,368**	
Amortization of prior service credit	**(1,402)**	(1,412)	**(2,804)**	(
Recognized actuarial gain	**(370)**	(480)	**(740)**	
Total Periodic Benefit	**$ (309)**	$ (409)	**$ (619)**	$

9. OTHER NON-OPERATING (EXPENSE) INCOME

A summary of non-operating (expense) income for the three and six months ended June 30, 2012 and July 3, 2011, is as follows:

(in thousands)	Three Months Ended June 30, 2012	Three Months Ended July 3, 2011	Six Months Ended June 30, 2012	Six Months Ended July 3 2011
Gain on sales of cost method investments	**$ 1,441**	$ 199	**$ 7,258**	$
Gain on sales of marketable equity securities	**505**	—	**505**	
Impairment write-down on a cost method investment	**(335)**	(3,148)	**(386)**	(
Foreign currency (losses) gains, net	**(2,592)**	331	**68**	
Impairment write-down on a marketable equity security	**—**	—	**—**	(3
Other, net	**(179)**	27	**(17)**	
Total Other Non-Operating (Expense) Income	**$ (1,160)**	$ (2,591)	**$ 7,428**	$ (2

10. CONTINGENCIES

Litigation and Legal Matters. The Company is involved in various legal proceedings that arise in the ordinary course of its business. Although the ou
of the legal claims and proceedings against the Company cannot be predicted with certainty, based on currently available information, management be
that there are no existing claims or proceedings that are likely to have a material effect on the Company's business, financial condition, results of opera
or cash flows. Also, based on currently available information, management is of the opinion that the exposure to future material losses from existing le
proceedings is not reasonably possible, or that future material losses in excess of the amounts accrued are not reasonably possible.

DOE Program Reviews. The U.S. Department of Education (DOE) has undertaken program reviews at various Kaplan Higher Education (KHE) camp
locations and at Kaplan University. Currently, there are two pending program reviews, including Kaplan University. In May 2012, the DOE issued a
preliminary report on its program review at Kaplan University. Several of the preliminary findings require Kaplan University to conduct additional, detail
reviews, with Kaplan University's review and response due in October 2012. In addition to the two pending program reviews, the Company is awaiting
DOE's final report on the program review at KHE's Broomall, PA, location. The results of these open reviews and their impact on Kaplan's operations a
uncertain.

Other. In June 2012, the Accrediting Commission of Career Schools and Colleges (ACCSC), a KHE accreditor, issued a notice to three campuses
(Baltimore, Dayton and Indianapolis Northwest), to "show cause" as to why their accreditation should not be withdrawn for failure to meet certain stude
achievement threshold requirements. These campuses represented approximately 2% of KHE's year-to-date revenue for 2012. Each of these campus
failed to meet student placement thresholds or student graduation rate thresholds or both in some programs or aggregated over all programs. The
campuses must respond by September 2012 to show improvement in these rates and/or demonstrate an adequate plan to improve these rates and co
into compliance with the ACCSC standards. KHE cannot be certain that its remedial measures will satisfy all of ACCSC's concerns; in the event that
ACCSC determines that some or all of these campuses may lose accreditation, a loss of accreditation would mean that the school would no longer be
eligible to participate in Title IV programs and may also lose programmatic accreditation necessary for students to obtain licensure and/or employment
specific professions.

In December 2011, the United Kingdom Border Agency (UKBA) conducted a compliance review at Kaplan UK' s Borough High Street Center in Londo
England. The review focused on Kaplan UK's compliance with regulations regarding Tier 4 students, who are adult students seeking to study in the Ur
Kingdom (UK). Kaplan does not expect the compliance review to have a significant impact on Kaplan UK's operations.

Also, all of the significant Kaplan UK schools have now gained Highly Trusted Sponsor status (HTS). Without HTS, schools could not issue a Confirma of Acceptance for Studies (CAS) to potential incoming international students.

Additionally, UKBA issued revised immigration rules that became operational on April 21, 2011. Students from outside the European Economic Area (E and Switzerland who were issued a CAS after July 4, 2011 will be given permission to work part-time during their studies only if they attend an instituti which qualifies as a Higher Education Institution (HEI). Many of the Kaplan UK international students currently work part-time. Kaplan UK is not in rece public funding for the courses upon which international students study and, therefore, does not qualify as an HEI. These new rules have adversely imp the number of international students studying at certain Kaplan UK programs.

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 thre tiered hierarchy that draws a distinction between market participant assumptions based on (i) observable inputs, such as quoted prices in active marke (Level 1); (ii) inputs other than quoted prices in active markets that are observable either directly or indirectly (Level 2); and (iii) unobservable inputs th require the Company to use present value and other valuation techniques in the determination of fair value (Level 3). Financial assets and liabilities ar 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 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.

The Company's financial assets and liabilities measured at fair value on a recurring basis were as follows:

(in thousands)	Level 1	Level 2	Total
At June 30, 2012			
Assets			
Money market investments[1]	**$ —**	**$ 142,025**	**$ 14**
Marketable equity securities[3]	**385,895**	**—**	**38**
Other current investments[4]	**15,851**	**22,200**	
Total Financial Assets	**$ 401,746**	**$ 164,225**	**$ 5**
Liabilities			
Deferred compensation plan liabilities[6]	**$ —**	**$ 60,511**	**$**
7.25% unsecured notes[7]	**—**	**464,472**	**4**
AUD 50M borrowing[7]	**—**	**51,168**	
Interest rate swap[8]	**—**	**1,362**	
Total Financial Liabilities	**$ —**	**$ 577,513**	**$ 5**
At December 31, 2011			
Assets			
Money market investments[2]	$ —	$ 180,136	$ 1
Marketable equity securities[3]	303,201	—	3
Other current investments[4]	15,223	20,250	
Interest rate swap[5]	—	14	
Total Financial Assets	$ 318,424	$ 200,400	$ 5
Liabilities			
Deferred compensation plan liabilities[6]	$ —	$ 63,403	$
7.25% unsecured notes[7]	—	460,500	4
AUD 50M borrowing[7]	—	51,012	
Total Financial Liabilities	$ —	$ 574,915	$ 5

(1) The Company's money market investments at June 30, 2012 are included in cash and cash equivalents.
(2) The Company's money market investments at December 31, 2011 are included in cash, cash equivalents and restricted cash.
(3) The Company's investments in marketable equity securities are classified as available-for-sale.
(4) Includes U.S. Government Securities, corporate bonds, mutual funds and time deposits (with original maturities greater than 90 days, but less than one year).
(5) Included in Deferred charges and other assets. The fair value utilized a market approach model using the notional amount of the interest rate swap multiplied by the observable inputs of time to and market interest rates.
(6) Includes The Washington Post Company Deferred Compensation Plan and supplemental savings plan benefits under The Washington Post Company Supplemental Executive Retirement Plan, are included in accrued compensation and related benefits.
(7) See Note 6 for carrying amount of these notes and borrowing.
(8) Included in Other liabilities. The fair value utilized a market approach model using the notional amount of the interest rate swap multiplied by the observable inputs of time to maturity and market rates.

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 units held without consideration of transaction costs. Assets and liabilities that are measured using significant other observable inputs are primarily val by reference to quoted prices of similar assets or liabilities in active markets, adjusted for any terms specific to that asset or liability.

12. BUSINESS SEGMENTS

The Company has eight reportable segments: Kaplan Higher Education, Kaplan Test Preparation, Kaplan International, Kaplan Ventures, cable televis newspaper publishing, television broadcasting and other businesses.

Education. Kaplan sold EduNeering in April 2012, KLT in February 2012, KCS in October 2011 and KVE in July 2011; therefore, the education divisio operating results exclude these businesses. Also, Kaplan's Colloquy and U.S. Pathways businesses moved from Kaplan Ventures to Kaplan Internatio Segment operating results of the education division have been restated to reflect these changes.

In the second quarter of 2012, Kaplan International results benefited from a favorable net $1.9 million adjustment. This included a $2.0 million adjustm increase liabilities assumed in a 2011 acquisition and a favorable $3.9 million out of period expense adjustment related to certain items recorded in 20 and 2010. With respect to the $3.9 million out of period expense adjustment, the Company has concluded that it was not material to the Company's fin position or results of operations for 2012, 2011 and 2010 and the related interim periods, based on its consideration of quantitative and qualitative fact

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

(in thousands)	Three Months Ended June 30, 2012	 July 3, 2011	Six Months Ended June 30, 2012	 July 3 2011
Operating Revenues				
Education	$ 558,404	$ 616,962	$ 1,111,805	$ 1,
Cable television	195,579	191,231	385,789	
Newspaper publishing	151,814	162,772	294,135	
Television broadcasting	95,591	84,940	177,088	
Other businesses	6,680	6,095	12,695	
Corporate office	—	—	—	
Intersegment elimination	(1,149)	(742)	(2,117)	
	$ 1,006,919	$ 1,061,258	$ 1,979,395	$ 2,
Income (Loss) from Operations				
Education	$ 3,351	$ 21,468	$ (9,837)	$
Cable television	38,446	40,425	71,223	
Newspaper publishing	(15,876)	(2,918)	(38,436)	
Television broadcasting	43,728	32,571	74,727	
Other businesses	(5,804)	(5,014)	(11,055)	
Corporate office	(3,492)	(4,433)	(8,800)	
	$ 60,353	$ 82,099	$ 77,822	$
Equity in Earnings of Affiliates, Net	3,314	3,138	7,202	
Interest Expense, Net	(8,204)	(6,963)	(16,298)	
Other (Expense) Income, Net	(1,160)	(2,591)	7,428	
Income from Continuing Operations Before Income Taxes	$ 54,303	$ 75,683	$ 76,154	$
Depreciation of Property, Plant and Equipment				
Education	$ 21,159	$ 21,491	$ 42,021	$
Cable television	32,234	31,533	64,431	
Newspaper publishing	6,282	6,540	12,518	
Television broadcasting	3,222	3,134	6,347	
Other businesses	81	84	162	
Corporate office	—	100	—	
	$ 62,978	$ 62,882	$ 125,479	$
Amortization of Intangible Assets				
Education	$ 3,810	$ 5,049	$ 7,053	$
Cable television	53	66	107	
Newspaper publishing	172	289	355	
Television broadcasting	—	—	—	
Other businesses	408	934	865	
Corporate office	—	—	—	
	$ 4,443	$ 6,338	$ 8,380	$
Net Pension Expense (Credit)				
Education	$ 1,969	$ 1,652	$ 4,361	$
Cable television	514	497	1,044	
Newspaper publishing	7,781	5,288	16,392	
Television broadcasting	1,055	335	2,015	
Other businesses	19	17	38	
Corporate office	(8,896)	(9,247)	(18,194)	
	$ 2,442	$ (1,458)	$ 5,656	$

Identifiable assets for the Company’s business segments consist of the following:

(in thousands)	As of June 30, 2012	December 3 2011
Identifiable Assets		
Education	**$ 1,829,263**	$ 2
Cable television	**1,146,806**	1
Newspaper publishing	**72,701**	
Television broadcasting	**419,592**	
Other businesses	**9,737**	
Corporate office	**991,887**	
	$ 4,469,986	$ 4
Investments in Marketable Equity Securities	**385,895**	
Investments in Affiliates	**21,721**	
Total Assets	**$ 4,877,602**	$ 5

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

(in thousands)	Three Months Ended June 30, 2012	2011	Six Months Ended June 30, 2012	2011
Operating Revenues				
Higher education	**$ 290,861**	$ 358,312	**$ 599,245**	$
Test preparation	**79,786**	83,197	**142,615**	
Kaplan international	**181,656**	169,016	**358,041**	
Kaplan ventures	**6,203**	6,591	**12,324**	
Kaplan corporate and other	**1,003**	1,065	**2,160**	
Intersegment elimination	**(1,105)**	(1,219)	**(2,580)**	
	$ 558,404	$ 616,962	**$ 1,111,805**	$ 1
Income (Loss) from Operations				
Higher education	**$ 5,858**	$ 45,157	**$ 14,812**	$
Test preparation	**2,706**	(11,597)	**(7,513)**	
Kaplan international	**9,294**	8,642	**12,717**	
Kaplan ventures	**(369)**	(2,079)	**(1,630)**	
Kaplan corporate and other	**(14,299)**	(18,673)	**(28,578)**	
Intersegment elimination	**161**	18	**355**	
	$ 3,351	$ 21,468	**$ (9,837)**	$
Depreciation of Property, Plant and Equipment				
Higher education	**$ 11,673**	$ 11,897	**$ 23,430**	$
Test preparation	**4,449**	3,796	**8,764**	
Kaplan international	**4,472**	4,752	**8,672**	
Kaplan ventures	**148**	181	**293**	
Kaplan corporate and other	**417**	865	**862**	
	$ 21,159	$ 21,491	**$ 42,021**	$

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

(in thousands)	As of June 30, 2012	December 3 2011
Identifiable assets		
Higher education	**$ 645,779**	$
Test preparation	**322,898**	
Kaplan international	**824,105**	
Kaplan ventures	**25,857**	
Kaplan corporate and other	**10,624**	
	$ 1,829,263	$ 2

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

The Company reported net income attributable to common shares of $51.8 million ($6.84 per share) for the second quarter ended June 30, 2012, com to $45.6 million ($5.74 per share) for the second quarter of last year. Net income includes $17.8 million in income from discontinued operations ($2.36 share) and $2.0 million ($0.26 per share) in losses from discontinued operations for the second quarter of 2012 and 2011, respectively. Income from continuing operations attributable to common shares was $34.0 million ($4.48 per share) for the second quarter of 2012, compared to $47.6 million ($6 per share) for the second quarter of 2011.

Items included in the Company's income from continuing operations for the second quarter of 2012:

- § $8.4 million in severance, early retirement and restructuring charges at Kaplan and the newspaper publishing division (after-tax impact of $5.2 milli $0.69 per share); and
- § $2.6 million in non-operating unrealized foreign currency losses (after-tax impact of $1.6 million, or $0.21 per share).

Items included in the Company's income from continuing operations for the second quarter of 2011:

- § $11.7 million in severance and restructuring charges at Kaplan (after-tax impact of $7.3 million, or $0.91 per share); and
- § $0.3 million in non-operating unrealized foreign currency gains (after-tax impact of $0.2 million, or $0.03 per share).

Revenue for the second quarter of 2012 was $1,006.9 million, down 5% from $1,061.3 million in the second quarter of 2011. The Company reported operating income of $60.4 million in the second quarter of 2012, compared to operating income of $82.1 million in the second quarter of 2011. Revenu were down at the education and newspaper publishing divisions, offset by increases at the television broadcasting and cable television divisions. Oper results were down at all of the Company's divisions, except for the television broadcasting division.

For the first six months of 2012, the Company reported net income attributable to common shares of $82.9 million ($10.87 per share), compared to $6 million ($7.57 per share) for the same period of 2011. Net income includes $38.1 million ($5.02 per share) in income from discontinued operations and million ($0.59 per share) in losses from discontinued operations for the first six months of 2012 and 2011, respectively. Income from continuing operati attributable to common shares was $44.8 million ($5.85 per share) for the first six months of 2012, compared to $65.5 million ($8.16 per share) for the six months of 2011. As a result of the Company's share repurchases, there were 6% fewer diluted average shares outstanding in the first six months o 2012.

Items included in the Company's income from continuing operations for the first six months of 2012:

- § $10.2 million in severance, early retirement and restructuring charges at Kaplan and the newspaper publishing division (after-tax impact of $6.4 mi or $0.84 per share); and
- § a $5.8 million gain on sales of cost method investments (after-tax impact of $3.7 million, or $0.48 per share).

Items included in the Company's income from continuing operations for the first six months of 2011:

- § $14.0 million in severance and restructuring charges at Kaplan (after-tax impact of $8.7 million, or $1.09 per share);
- § a $30.7 million write-down of a marketable equity security (after-tax impact of $19.8 million, or $2.44 per share); and
- § $3.0 million in non-operating unrealized foreign currency gains (after-tax impact of $1.9 million, or $0.24 per share).

Revenue for the first six months of 2012 was $1,979.4 million, down 6% from $2,103.2 million in the first six months of 2011. Revenues were down at t education and newspaper publishing divisions, while revenues were up at the television broadcasting and cable television divisions. The Company rep operating income of $77.8 million for the first six months of 2012, compared to $138.7 million for the first six months of 2011. Operating results were do all of the Company's divisions, except for the television broadcasting division.

Division Results

Education

Education division revenue totaled $558.4 million for the second quarter of 2012, a 9% decline from revenue of $617.0 million for the second quarter o 2011. Excluding revenue from acquired businesses, education division revenue declined 11% in the second quarter of 2012. Kaplan reported second quarter 2012 operating income of $3.4 million, down from $21.5 million in the second quarter of 2011.

For the first six months of 2012, education division revenue totaled $1,111.8 million, a 10% decline from revenue of $1,235.9 million for the same peric 2011. Excluding revenue from acquired businesses, education division revenue declined 12% for the first six months of 2012. Kaplan reported an oper loss of $9.8 million for the first six months of 2012, compared to operating income of $41.5 million for the first six months of 2011.

In light of recent revenue declines and other business challenges, Kaplan has formulated and implemented restructuring plans at its various businesse have resulted in significant costs in 2012 and 2011, with the objective of establishing lower costs levels in future periods. Across all businesses, severa and restructuring costs totaled $5.0 million in the second quarter and first half of 2012, compared to $11.7 million and $14.0 million in the second quart and first six months of 2011, respectively. Kaplan will likely incur additional restructuring costs in the second half of 2012.

A summary of Kaplan's operating results for the second quarter and the first six months of 2012 compared to 2011 is as follows:

(in thousands)	Three Months Ended **June 30, 2012**	Three Months Ended July 3, 2011	% Change	Six Months Ended **June 30, 2012**	Six Months Ended July 3, 2011	% Ch
Revenue						
Higher education	**$ 290,861**	$ 358,312	(19)	**$ 599,245**	$ 745,195	(20
Test preparation	**79,786**	83,197	(4)	**142,615**	156,562	(9
Kaplan international	**181,656**	169,016	7	**358,041**	321,151	1
Kaplan ventures	**6,203**	6,591	(6)	**12,324**	13,806	(11
Kaplan corporate	**1,003**	1,065	(6)	**2,160**	2,182	(1
Intersegment elimination	**(1,105)**	(1,219)	—	**(2,580)**	(3,005)	–
	$ 558,404	$ 616,962	(9)	**$ 1,111,805**	$ 1,235,891	(10
Operating Income (Loss)						
Higher education	**$ 5,858**	$ 45,157	(87)	**$ 14,812**	$ 95,807	(85
Test preparation	**2,706**	(11,597)	—	**(7,513)**	(24,273)	6
Kaplan international	**9,294**	8,642	8	**12,717**	7,960	6
Kaplan ventures	**(369)**	(2,079)	82	**(1,630)**	(3,053)	4
Kaplan corporate	**(10,489)**	(13,624)	23	**(21,525)**	(25,242)	1
Amortization of intangible assets	**(3,810)**	(5,049)	25	**(7,053)**	(9,469)	2
Intersegment elimination	**161**	18	—	**355**	(213)	–
	$ 3,351	$ 21,468	(84)	**$ (9,837)**	$ 41,517	–

Kaplan sold Kaplan Learning Technologies in February 2012 and EduNeering in April 2012. Consequently, the education division's operating results ex these businesses. Also, Kaplan's Colloquy and U.S. Pathways business moved from Kaplan Ventures to Kaplan International. The comparative divisio results presented above reflect this change.

Kaplan Higher Education (KHE) includes Kaplan's domestic postsecondary education businesses, made up of fixed-facility colleges and online postsecondary and career programs. KHE also includes the domestic professional training and other continuing education businesses. In the second quarter and first six months of 2012, higher education revenue declined 19% and 20%, respectively, due largely to declines in average enrollments, reflecting weaker market demand over the past year. Operating income decreased 87% and 85% for the second quarter and first six months of 2012, respectively. These declines were due primarily to lower revenue, offset by expense reductions associated with lower enrollments and recent restructu efforts. In the second quarter of 2012, KHE incurred $3.8 million in severance costs, compared to $5.5 million in the second quarter of 2011. KHE will l incur additional restructuring costs in the second half of 2012.

Although revenues were down substantially compared to the first half of 2011, new student enrollments at Kaplan University and KHE Campuses incre
3% in the first half of 2012. For the second quarter of 2012, new student enrollments declined 1%. Total enrollments at June 30, 2012, were down 14%
compared to June 30, 2011, and 11% compared to March 31, 2012.

	Student Enrollments As of		
	June 30, 2012	March 31, 2012	June 3 2011
Kaplan University	**44,756**	49,481	5
KHE Campuses	**22,849**	26,503	2
	67,605	75,984	7

Kaplan University enrollments included 5,681, 5,979 and 5,837 campus-based students as of June 30, 2012, March 31, 2012, and June 30, 2011, respectively.

Kaplan University and KHE Campuses enrollments at June 30, 2012, and June 30, 2011, by degree and certificate programs, are as follows:

	As of June 30,	
	2012	201
Certificate	**24.8 %**	2
Associate's	**28.7 %**	3
Bachelor's	**33.7 %**	3
Master's	**12.8 %**	1
	100.0 %	10

KHE has implemented a number of marketing and admissions changes to increase student selectivity and help KHE comply with recent regulations. K
also implemented the Kaplan Commitment program, which provides first-time students with a risk-free trial period. Under the program, KHE also monit
academic progress and conducts academic assessments to help determine whether students are likely to be successful in their chosen course of stud
Students who withdraw or are subject to academic dismissal during the risk-free trial period do not incur any significant financial obligation. For those f
time students enrolled to date under the Kaplan Commitment, the attrition rate during the risk-free period has been approximately 28%. Management
believes the Kaplan Commitment program is unique and reflects Kaplan's commitment to student success.

Refer to KHE Regulatory Matters below for additional information.

Kaplan Test preparation (KTP) includes Kaplan's standardized test preparation and tutoring offerings and other businesses. KTP revenue declined 4%
9% in the second quarter and first six months of 2012, respectively. Enrollment increased 4% and 8% for the second quarter and first six months of 20
respectively, driven by strength in medical and bar review programs. Enrollment increases were offset by competitive pricing pressure and a continued
in demand to lower priced online test preparation offerings. Revenues also declined from the prior year as changes in certain programs and the mix of
courses resulted in an increase in average course length and related revenue recognition periods. Total sales bookings at KTP during the first half of 2
were down 3% compared to the first half of 2011. The improvement in KTP operating results in the first half of 2012 is largely from lower operating exp
due to recent restructuring activities. Also, $6.2 million and $8.5 million in restructuring costs were recorded in the second quarter and first six months
2011, respectively.

Kaplan International includes professional training and postsecondary education businesses outside the United States and English-language program
May 2011, Kaplan Australia acquired Franklyn Scholar and Carrick Education Group, national providers of vocational training and higher education in
Australia. In June 2011, Kaplan acquired Structuralia, a provider of e-learning for the engineering and infrastructure sector in Spain. Kaplan Internatior
revenue increased 7% and 11% in the second quarter and first six months of 2012, respectively. Excluding revenue from acquired businesses, Kaplan
International revenue increased slightly in the second quarter of 2012 and increased 3% in the first six months of 2012 due to enrollment growth in the
English-language and Singapore higher education programs. Kaplan International operating income increased in the first half of 2012 due largely to st
results in Singapore, offset by combined losses from businesses acquired in 2011. In the second quarter of 2012, Kaplan International results also ber
from a favorable net $1.9 million adjustment. This resulted from a favorable expense adjustment to reduce certain items recorded in prior years, offset
adjustment to increase liabilities assumed in a 2011 acquisition.

Most of the businesses previously included in Kaplan Ventures have been sold or moved to other Kaplan divisions. Kaplan Ventures is exploring other
alternatives with respect to its remaining businesses, including possible sales.

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

Cable Television

Cable television division revenue increased 2% in the second quarter of 2012 to $195.6 million, from $191.2 million for the second quarter of 2011; for first six months of 2012, revenue increased 1% to $385.8 million, from $381.5 million in the same period of 2011. The revenue increase for the first six months of 2012 is due to continued growth of the division's Internet and telephone service revenues, offset by an increase in promotional discounts ar decline in basic video subscribers.

Cable television division operating income decreased 5% to $38.4 million, from $40.4 million in the second quarter of 2011; cable division operating in for the first six months of 2012 decreased 9% to $71.2 million, from $78.1 million for the first six months of 2011. The division's operating income decli primarily due to increased programming costs.

At June 30, 2012, Primary Service Units (PSUs) were up 1% from the prior year due to growth in high-speed data and telephony subscribers, offset by decrease in basic subscribers. PSUs include about 6,300 subscribers who receive free basic cable service, primarily local governments, schools and c organizations as required by various franchise agreements. A summary of PSUs is as follows:

	As of June 30,	
	2012	2011
Basic video	**612,729**	6[illegible]
High-speed data	**462,426**	4[illegible]
Telephony	**187,095**	1[illegible]
	1,262,250	1,2[illegible]

Below are details of Cable division capital expenditures for the first six months of 2012 and 2011, as defined by the NCTA Standard Reporting Categor

(in thousands)	**2012**	**2011**
Customer Premise Equipment	**$ 25,336**	$ [illegible]
Commercial	**2,148**	
Scaleable Infrastructure	**10,667**	[illegible]
Line Extensions	**2,415**	
Upgrade/Rebuild	**7,581**	
Support Capital	**17,064**	[illegible]
	$ 65,211	$ [illegible]

Newspaper Publishing

Newspaper publishing division revenue totaled $151.8 million for the second quarter of 2012, down 7% from revenue of $162.8 million for the second quarter of 2011; division revenue declined 7% to $294.1 million for the first six months of 2012, from $317.8 million for the first six months of 2011. Prir advertising revenue at The Washington Post in the second quarter of 2012 declined 15% to $56.7 million, from $66.6 million in the second quarter of 2 and declined 16% to $109.3 million for the first six months of 2012, from $129.8 million for the first six months of 2011. The decline is largely due to reductions in general advertising. Revenue generated by the Company's newspaper online publishing activities, primarily washingtonpost.com and Sla increased 8% to $26.3 million for the second quarter of 2012, versus $24.3 million for the second quarter of 2011; newspaper online revenues increase slightly to $50.6 million for the first six months of 2012, versus $50.5 million for the first six months of 2011. Display online advertising revenue increase 14% and 1% for the second quarter and first six months of 2012, respectively. Online classified advertising revenue decreased 2% for both the second quarter and the first six months of 2012.

For the first six months of 2012, Post daily and Sunday circulation declined 9.3% and 6.1%, respectively, compared to the same periods of the prior ye For the six months ended June 30, 2012, average daily circulation at The Washington Post totaled 482,100 and average Sunday circulation totaled 69

The newspaper publishing division reported an operating loss of $15.9 million in the second quarter of 2012, compared to an operating loss of $2.9 mi the second quarter of 2011. For the first six months of 2012, the newspaper publishing division reported an operating loss of $38.4 million, compared t operating loss of $15.7 million for the first six months of 2011. These operating losses include noncash pension expense of $7.8 million and $5.3 millio the second quarter of 2012 and 2011, respectively, and $16.4 million and $12.0 million for the first six months of 2012 and 2011, respectively.

The decline in operating results for the second quarter of 2012 is primarily due to the revenue reductions discussed above and $3.4 million in severanc
expense, offset partially by a decline in other operating expenses. The decline in operating results for the first half of 2012 is primarily due to the reven
reductions discussed above and $5.3 million in severance and early retirement expenses, offset partially by a decline in other operating expenses.
Newsprint expense was down 10% and 11% for the second quarter and first six months of 2012, respectively, due to a decline in newsprint consumpti

Television Broadcasting

Revenue for the television broadcasting division increased 13% in the second quarter of 2012 to $95.6 million, from $84.9 million in the same period o
2011; operating income for the second quarter of 2012 increased 34% to $43.7 million, from $32.6 million in the same period of 2011. For the first six
months of 2012, revenue increased 13% to $177.1 million, from $157.1 million in the same period of 2011; operating income for the first six months of
increased 43% to $74.7 million, from $52.2 million in the same period of 2011.

The increase in revenue and operating income for the second quarter and first six months of 2012 reflects improved advertising demand across many
product categories, including a $4.4 million and $6.6 million increase in political advertising revenue in the second quarter and first six months of 2012,
respectively. Expense reductions from various cost control initiatives also contributed to the improvement in operating results.

Other Businesses

Other businesses includes the operating results of Avenue100 Media Solutions and WaPo Labs, a digital team focused on emerging technologies and
product development.

In July 2012, the Company determined that Avenue100 Media Solutions, Inc. had no value and disposed of the business. As a result, the Company
estimates that it will incur a pre-tax loss of approximately $5 million, and record a tax benefit of approximately $42 million. The estimated tax benefit is
the Company's tax basis in the stock of Avenue100 exceeding its net book value, as a result of goodwill and other intangible asset impairment charges
recorded in 2008, 2010 and 2011 for which no tax benefit was previously recorded.

Corporate Office

Corporate office includes the expenses of the Company's corporate office as well as a net pension credit.

Equity in Earnings (Losses) of Affiliates

The Company holds a 49% interest in Bowater Mersey Paper Company, a 16.5% interest in Classified Ventures, LLC and interests in several other aff

The Company's equity in earnings of affiliates, net, for the second quarter of 2012 was $3.3 million, compared to $3.1 million for the second quarter of
For the first six months of 2012, the Company's equity in earnings of affiliates, net, totaled $7.2 million, compared to $6.9 million for the same period o
2011.

Other Non-Operating Income (Expense)

The Company recorded other non-operating expense, net, of $1.2 million for the second quarter of 2012, compared to other non-operating expense, n
$2.6 million for the second quarter of 2011. The second quarter 2012 non-operating expense, net, included $2.6 million in unrealized foreign currency
losses, offset by other items. The second quarter 2011 non-operating expense, net, included $3.1 million for an impairment write-down on a cost meth
investment, offset by $0.3 million in unrealized foreign currency gains and other items.

The Company recorded non-operating income, net, of $7.4 million for the first six months of 2012, compared to other non-operating expense, net, of $
million for the same period of the prior year. The 2012 non-operating income, net, included a $7.3 million gain on sales of cost method investments, $0
million in unrealized foreign currency gains and other items. The 2011 non-operating expense, net, included a $30.7 million write-down of a marketabl
equity security (Corinthian Colleges, Inc.), offset by $3.0 million in unrealized foreign currency gains and other items.

A summary of non-operating income (expense) for the six months ended June 30, 2012 and July 3, 2011, is as follows:

(in thousands)	2012	2011
Gain on sales of cost method investments	**$ 7,258**	$
Gain on sales of marketable equity securities	**505**	
Impairment write-down on a cost method investment	**(386)**	(
Foreign currency gains, net	**68**	
Impairment write-down on a marketable equity security	**—**	(3
Other, net	**(17)**	
Total Other Non-Operating Income (Expense)	**$ 7,428**	$ (2

Net Interest Expense

The Company incurred net interest expense of $8.2 million and $16.3 million for the second quarter and first six months of 2012, respectively, compare
$7.0 million and $13.9 million for the same periods of 2011. At June 30, 2012, the Company had $455.7 million in borrowings outstanding, at an avera
interest rate of 7.0%.

Provision for Income Taxes

The effective tax rate for income from continuing operations for the first six months of 2012 was 40.2%, compared to 37.0% for the first six months of 2
The higher effective tax rate in 2012 results primarily from losses in Australia for which no tax benefit is recorded.

Discontinued Operations

Kaplan sold EduNeering in April 2012, Kaplan Learning Technologies in February 2012, Kaplan Compliance Solutions in October 2011 and Kaplan Vir
Education in July 2011. Consequently, the Company's income from continuing operations excludes these businesses, which have been reclassified to
discontinued operations, net of tax.

The sale of Kaplan Learning Technologies resulted in a pre-tax loss of $3.1 million that was recorded in the first quarter of 2012. The sale of EduNeeri
resulted in a pre-tax gain of $29.5 million that was recorded in the second quarter of 2012.

In connection with each of the sales of the Company's stock in EduNeering and Kaplan Learning Technologies, in the first quarter of 2012, the Compa
recorded $23.2 million of income tax benefits related to the excess of the outside stock tax basis over the net book value of the net assets disposed.

Earnings (Loss) Per Share

The calculation of diluted earnings per share for the second quarter and first six months of 2012 was based on 7,545,150 and 7,579,888 weighted ave
shares outstanding, respectively, compared to 7,933,459 and 8,026,424, respectively, for the second quarter and first six months of 2011. In the first si
months of 2012, the Company repurchased 218,282 shares of its Class B common stock at a cost of $74.5 million. At June 30, 2012, there were 7,444
shares outstanding and the Company had remaining authorization from the Board of Directors to purchase up to 275,192 shares of Class B common s

KHE Regulatory Matters

Gainful employment. In June 2011, the DOE issued final regulations that tie an education program's Title IV eligibility to whether the program leads to
gainful employment. The regulations define an education program that leads to gainful employment as one that complies with the following gainful
employment metrics as calculated under the complex formulas prescribed in the regulations: (1) the average annual loan payment for program gradua
12% or less of annual earnings; (2) the average annual loan payment for program graduates is 30% or less of discretionary income, generally defined
annual earnings above 150% of the U.S. Federal poverty level; and (3) the U.S. Federal loan repayment rate must be at least 35% for loans owed by
students for attendance in the program regardless of whether they graduated.

If a program fails all three of the gainful employment metrics in a single U.S. Federal fiscal year, the Department requires the institution, among other t
to disclose to current and prospective students the amount by which the program under-performed the metrics and the institution's plan for program
improvement, and to establish a three-day waiting period before students can enroll. Should a program fail to achieve the metrics twice within three ye
the Department requires the institution, among other things, to disclose to current and prospective students that they should expect to have difficulty
repaying their student loans; that the program is at risk of losing eligibility to receive U.S. Federal financial

aid; and that transfer options exist, including providing resources to students to research other education options and compare program costs. Should program fail three times within a four-year period, the DOE would terminate the program's eligibility for U.S. Federal student aid, and the institution wo not be able to reestablish the program's eligibility for at least three years, though the program could continue to operate without student aid. The final r was scheduled to go into effect on July 1, 2012. However, the first final debt measures would not be released until 2013, and a program could not lose eligibility until 2015.

On June 30, 2012, the United States District Court for the District of Columbia overturned most of the final regulations on gainful employment. The DO reviewing the details of the Court's decision in consultation with the Department of Justice and evaluating their plans which may include an appeal. Th ultimate outcome of gainful employment regulations and their impact on Kaplan's operations is uncertain.

The 90/10 Rule. Under regulations referred to as the 90/10 rule, a Kaplan Higher Education OPEID unit would lose its eligibility to participate in the Tit programs for a period of at least two fiscal years if it derives more than 90% of its receipts from the Title IV programs for two consecutive fiscal years, commencing with the unit's first fiscal year that ends after August 14, 2008. Any OPEID reporting unit with receipts from the Title IV programs exceedi 90% for a single fiscal year ending after August 14, 2008, would be placed on provisional certification and may be subject to other enforcement measu KHE is taking various measures to reduce the percentage of its receipts attributable to Title IV funds, including emphasizing direct-pay and employer-p education programs; encouraging students to carefully evaluate the amount of their Title IV borrowing; program eliminations; cash-matching and devel and offering additional non-Title IV-eligible certificate preparation, professional development and continuing education programs. Based on currently available information, management does not believe that any of the Kaplan OPEID units will have a 90/10 ratio over 90% in 2012. However, absent th adoption of the changes mentioned above, and if current trends continue, management estimates that in 2013, at least 20 of the KHE Campuses OPE units, representing approximately 22% of KHE's 2011 revenues, could have a 90/10 ratio over 90%. As noted above, Kaplan is taking steps to addres compliance with the 90/10 rule; however, there can be no guarantee that these measures will be adequate to prevent the 90/10 rule calculations from exceeding 90% in the future.

Financial Condition: Capital Resources and Liquidity

Acquisitions and Dispositions

In the first six months of 2012, the Company acquired four small businesses in its education division and other businesses segment; the purchase pric allocation mostly comprised goodwill and other intangible assets on a preliminary basis. In the first six months of 2011, the Company acquired four businesses. In the second quarter of 2011, Kaplan acquired three businesses in its Kaplan International division. These acquisitions included Kaplan's 2011 acquisitions of Franklyn Scholar and Carrick Education Group, leading national providers of vocational training and higher education in Australia. June 2011, Kaplan acquired Structuralia, a provider of e-learning for the engineering and infrastructure sector in Spain. The assets and liabilities of the companies acquired have been recorded at their estimated fair values at the date of acquisition.

Kaplan completed the sales of EduNeering in April 2012 and Kaplan Learning Technologies in February 2012, which were part of the Kaplan Ventures division. In July 2011, Kaplan completed the sale of Kaplan Virtual Education, which was part of Kaplan Ventures division.

Capital Expenditures

During the first six months of 2012, the Company's capital expenditures totaled $97.8 million. The Company estimates that its capital expenditures will the range of $240 million to $265 million in 2012.

Liquidity

The Company's borrowings decreased by $109.5 million, to $455.7 million at June 30, 2012, as compared to borrowings of $565.2 million at Decembe 2011. At June 30, 2012, the Company has $264.1 million in cash and cash equivalents, compared to $381.1 million at December 31, 2011. The Comp had money market investments of $142.0 million and $180.1 million that are classified as cash and cash equivalents in the Company's condensed consolidated Balance Sheets as of June 30, 2012 and December 31, 2011, respectively.

The Company's total debt outstanding of $455.7 million at June 30, 2012 included $397.3 million of 7.25% unsecured notes due February 1, 2019, $5 million of AUD 50M borrowing and $7.3 million in other debt.

In June 2011, the Company entered into a credit agreement (the “Credit Agreement”) providing for a U.S. $450 million, AUD 50 million four year revolv
credit facility (the “Facility”), with each of the lenders party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent (“JP Morgan”), and J.P. Morg
Australia Limited, as Australian Sub-Agent. The Facility replaces the Company’s previous revolving credit agreement. The Facility will expire on June 1
2015, unless the Company and the banks agree to extend the term.

In November 2011, Standard & Poor’s lowered the Company’s long-term corporate debt rating from “A-” to “BBB+” and changed the outlook from Nega
to Stable. Standard & Poor’s kept the short-term rating unchanged at “A-2.” In November 2011, Moody’s downgraded the Company’s senior unsecured
rating from “A2” to “A3” and the commercial paper rating from “Prime-1” to “Prime-2.” The outlook was changed from Rating Under Review to Negative
May 2012, Standard & Poor’s affirmed the Company’s credit ratings, but revised the outlook from Stable to Negative. In July 2012, Moody’s changed th
outlook of the Company’s long-term debt rating from Negative to Rating Under Review. The Company’s current credit ratings are as follows:

	Moody’s	Standa & Poo
Long-term	A3	
Short-term	Prime-2	

During the second quarter of 2012 and 2011, the Company had average borrowings outstanding of approximately $455.5 million and $401.2 million, respectively, at average annual interest rates of approximately 7.0% and 7.2%. During the second quarter of 2012 and 2011, the Company incurred ne
interest expense of $8.2 million and $7.0 million, respectively.

During the first six months of 2012 and 2011, the Company had average borrowings outstanding of approximately $472.0 million and $400.6 million, respectively, at average annual interest rates of approximately 7.0% and 7.2%. During the first six months of 2012 and 2011, the Company incurred ne
interest expense of $16.3 million and $13.9 million, respectively.

At June 30, 2012 and December 31, 2011, the Company had working capital of $290.4 million and $250.1 million, respectively. The Company maintair
working capital levels consistent with its underlying business requirements and consistently generates cash from operations in excess of required inter
principal payments. The Company expects to fund its estimated capital needs primarily through existing cash balances and internally generated funds
to a lesser extent commercial paper. In management’s opinion, the Company will have ample liquidity to meet its various cash needs throughout 2012.

Except for a lease commitment totaling $42.9 million from 2013 through 2019, there were no significant changes to the Company’s contractual obligati
other commercial commitments from those disclosed in the Company’s Annual Report on Form 10-K for the year ended December 31, 2011.

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 certain risks and uncertainties that could cause actual results and achievements to differ materially from those expressed in the forward-look
statements. For more information about these forward-looking statements and related risks, please refer to the section titled “Forward-Looking Stateme
in Part I of the Company’s Annual Report on Form 10-K.

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 s
to equity price risk; to its borrowing and cash-management activities, which are subject to interest rate risk; and to its foreign business operations, whic
subject to foreign exchange rate risk. The Company’s market risk disclosures set forth in its 2011 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 principa
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 June 30, 2012. 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 th information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized 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 June 30, 2012 that has materially affect is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

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 June 30, 2012, 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 Numbe of Shares That Ma Yet BePurchased Under the Plan*
Apr. 1 - Apr. 30, 2012	—	$ —	—	4
May. 1 - May. 31, 2012	157,451	338.34	157,451	3
Jun. 1 - Jun. 30, 2012	60,431	348.38	60,431	2
	217,882	$ 341.13	217,882	

* On September 8, 2011, the Company's Board of Directors authorized the Company to purchase, on the open market or otherwise, up to 750,000 sh of its Class B Common Stock. There is no expiration date for that authorization. All purchases made during the quarter ended June 30, 2012 were c market transactions.

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 Re 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 Amendr 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 Re 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 success 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 Janua 2009).
4.2	Four Year Credit Agreement, dated as of June 17, 2011, among the Company, JPMorgan Chase Bank, N.A., J.P. Morgan Australia Limited, Wells Far Bank, N.A., The Royal Bank of Scotland PLC, HSBC Bank USA, National Association, The Bank of New York Mellon, PNC Bank, National Associatio Bank of America, N.A., Citibank, N.A. and The Northern Trust Company (incorporated by reference to Exhibit 10.1 to the Company's Current Report c Form 8-K dated June 17, 2011).
10.1	The Washington Post Company 2012 Incentive Compensation Plan, effective May 10, 2012.
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.*

* Attached as Exhibit 101 to this report are the following documents formatted in XBRL (Extensible Business Reporting Language): (i) Condensed Consolidated Statem of Operations for the Three and Six Months Ended June 30, 2012 and July 3, 2011, (ii) Condensed Consolidated Statements of Comprehensive Income for Three and Months Ended June 30, 2012 and July 3, 2011, (iii) Condensed Consolidated Balance Sheets at June 30, 2012 and December 31, 2011, (iv) Condensed Consolidated Statements of Cash Flows for Six Months Ended June 30, 2012 and July 3, 2011, and (v) Notes to Condensed Consolidated Financial Statements. Pursuant to Rule 4 Regulation S-T, these interactive data files are deemed "furnished" and not "filed" or part of a registration statement or prospectus for purposes of Sections 11 or 12 of Securities Act of 1933, are deemed "furnished" and not "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, and otherwise are not subject to liabil under these sections.

.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: August 7, 2012

/s/ Donald E. Graham

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

Date: August 7, 2012

/s/ Hal S. Jones

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

THE WASHINGTON POST COMPANY
2012 INCENTIVE COMPENSATION PLAN
(Dated of as February 23, 2012)

1. Purpose of the Plan

This Plan is intended to promote the interests of the Company and its shareholders by providing the employees and directors of the Compan incentives and rewards to encourage them to continue in the service of the Company and with a proprietary interest in pursuing the long-term growth, profitability and financial success of the Company.

2. Definitions

As used in the Plan or in any instrument governing the terms of any Incentive Award, the following definitions apply to the terms indicated be

(a) “Board of Directors” means the Board of Directors of TWPC.

(b) “Cash Incentive Award” means an award granted pursuant to Section 8 of the Plan.

(c) “Code” means the Internal Revenue Code of 1986, as amended from time to time, and all regulations, interpretations and administra guidance issued thereunder.

(d) “Committee” means the Compensation Committee of the Board of Directors or such other committee as the Board of Directors shall appoint from time to time to administer the Plan and to otherwise exercise and perform the authority and functions assigned to the Committee under the terms of the Plan.

(e) “Common Stock” means TWPC’s Class B Common Stock, $0.01 par value per share, or any other security into which the common s shall be changed pursuant to the adjustment provisions of Section 10 of the Plan.

(f) “Company” means TWPC and all of its Subsidiaries, collectively.

(g) “Covered Employee” means each Participant who is an executive officer (within the meaning of Rule 3b-7 under the Exchange Act) TWPC.

(h) “Deferred Compensation Plan” means any plan, agreement or arrangement maintained by the Company from time to time that provi opportunities for deferral of compensation.

(i) “Exchange Act” means the Securities Exchange Act of 1934, as amended.

(j) “Fair Market Value” means, with respect to a share of Common Stock, as of the applicable date of determination (i) the average of th high and low sales prices on the date of determination or, if not so reported for such day, the immediately preceding business day of share of Common Stock as reported on the principal securities exchange on which shares of Common Stock are then listed or admi trading or (ii) if not so reported, the average of the closing bid and ask prices on the date of determination or, if not so reported for su day, on the immediately preceding business day as reported on the National Association of Securities Dealers Automated Quotation System or (iii) if not so reported, as furnished by any member of the National Association of Securities Dealers, Inc. selected by the Committee. In the event that the price of a share of Common Stock shall not be so reported, the Fair Market Value of a share of Co Stock shall be determined by the Committee in its sole discretion.

(k) “Incentive Award” means one or more Stock Incentive Awards and Cash Incentive Awards, collectively.

(l) “Option” means a stock option to purchase shares of Common Stock granted to a Participant pursuant to Section 6.

(m) “Other Stock-Based Award” means an award granted to a Participant pursuant to Section 7.

(n) “Participant” means an employee or director of the Company who is eligible to participate in the Plan and to whom one or more Ince Awards have been granted pursuant to the Plan and have not been fully settled or cancelled and, following the death of any such Pe his successors, heirs, executors and administrators, as the case may be.

(o) "Performance-Based Compensation" means compensation that satisfies the requirements of Section 162(m) of the Code for deduct of "qualified performance-based compensation."

(p) "Performance Measures" means such measures as are described in Section 9 on which performance goals are based in order to qu certain awards granted hereunder as Performance-Based Compensation.

(q) "Performance Percentage" means the factor determined pursuant to a Performance Schedule that is to be applied to a Target Awar that reflects actual performance compared to the Performance Target.

(r) "Performance Period" means the period of time during which Performance Targets must be met in order to determine the degree of p and/or vesting with respect to an Incentive Award that is intended to qualify as Performance-Based Compensation. Performance Per may be overlapping.

(s) "Performance Schedule" means a schedule or other objective method for determining the applicable Performance Percentage to be applied to each Target Award.

(t) "Performance Target" means performance goals and objectives with respect to a Performance Period.

(u) "Person" means a "person" as such term is used in Section 13(d) and 14(d) of the Exchange Act, including any "group" within the me of Section 13(d)(3) under the Exchange Act.

(v) "Plan" means this 2012 Incentive Compensation Plan, as it may be amended from time to time.

(w) "Securities Act" means the Securities Act of 1933, as amended.

(x) "Stock Incentive Award" means an Option or Other Stock-Based Award granted pursuant to the terms of the Plan.

(y) "Subsidiary" means any "subsidiary" within the meaning of Rule 405 under the Securities Act.

(z) "Target Award" means target payout amount for an Incentive Award.

(aa) "TWPC" means The Washington Post Company, a Delaware corporation.

3. Stock Subject to the Plan and Limitations on Cash Incentive Awards

(a) Stock Subject to the Plan

The maximum number of shares of Common Stock that may be covered by Incentive Awards granted under the Plan shall not exceed 500,0 shares of Common Stock in the aggregate. The shares referred to in the preceding sentence of this paragraph shall be subject to adjustment as provid Section 10 and the following provisions of this Section 3. Shares of Common Stock issued under the Plan may be either authorized and unissued shar treasury shares, or both, at the sole discretion of the Committee.

For purposes of the preceding paragraph, shares of Common Stock covered by Incentive Awards shall only be counted as used to the exten are actually issued and delivered to a Participant (or such Participant's permitted transferees as described in the Plan) pursuant to the Plan. For purpo clarification, in accordance with the preceding sentence if an Incentive Award is settled for cash or if shares of Common Stock are withheld to pay the exercise price of an Option or to satisfy any tax withholding requirement in connection with an Incentive Award, only the shares issued (if any), net of t shares withheld, will be deemed delivered for purposes of determining the number of shares of Common Stock that are available for delivery under the In addition, if shares of Common Stock are issued subject to conditions which may result in the forfeiture, cancellation or return of such shares to the Company, any portion of the shares forfeited, cancelled or returned shall be treated as not issued pursuant to the Plan. In addition, if shares of Commo Stock owned by a Participant (or such Participant's permitted transferees as described in the Plan) are tendered (either actually or through attestation) Company in payment of any obligation in connection with an Incentive Award, the number of shares tendered shall be added to the number of shares Common Stock that are available for delivery under the Plan. Shares of Common Stock covered by Incentive Awards granted pursuant to the Plan in connection with the assumption, replacement, conversion or adjustment of outstanding equity-based awards in the context of a corporate acquisition o merger (within the meaning of Section 303A.08 of the New York Stock Exchange Listed Company Manual) shall not count as used under the Plan for purposes of this Section 3.

(b) Individual Award Limits

Subject to adjustment as provided in Section 10, the maximum number of shares of Common Stock that may be covered by Incentive Award granted under the Plan to any Covered Employee in any calendar year shall not exceed 50,000 shares. The amount payable to any Covered Employe respect to any calendar year for all Cash Incentive Awards shall not exceed $25 million. For purposes of the preceding sentences, the phrase "amount payable with respect to any calendar year" means the amount of cash, or value of other property, required to be paid based on the achievement of applicable Performance Measures during a Performance Period that ends in a calendar year, disregarding any deferral pursuant to the terms of a Defe Compensation Plan unless the terms of the deferral are intended to comply with the requirements for performance-based compensation under Section 162(m) of the Code.

4. Administration of the Plan

The Plan shall be administered by a Committee of the Board of Directors consisting of two or more persons, each of whom qualifies as a "no employee director" (within the meaning of Rule 16b-3 promulgated under Section 16 of the Exchange Act), an "outside director" within the meaning of Treasury Regulation Section 1.162-27(e)(3) and as "independent" within the meaning of any applicable stock exchange listing rules or similar regulato authority. The Committee shall, consistent with the terms of the Plan, from time to time designate those employees and directors of the Company who be granted Incentive Awards under the Plan and the amount, type and other terms and conditions of such Incentive Awards. All of the powers and responsibilities of the Committee under the Plan may be delegated by the Committee to any subcommittee thereof. In addition, the Committee may fro time to time authorize a subcommittee consisting of one or more members of the Board of Directors (including members who are employees of the Company) or employees of the Company to grant Incentive Awards, subject to such restrictions and limitation as the Committee may specify and to th requirements of Delaware General Corporation Law Section 157.

The Committee shall have full discretionary authority to administer the Plan, including discretionary authority to interpret and construe any ar provisions of the Plan and the terms of any Incentive Award (and any agreement evidencing any Incentive Award) granted thereunder and to adopt an amend from time to time such rules and regulations for the administration of the Plan as the Committee may deem necessary or appropriate. Without limiting the generality of the foregoing, the Committee shall determine whether an authorized leave of absence, or absence in military or government service, shall constitute termination of employment. The employment of a Participant with the Company shall be deemed to have terminated for all pur of the Plan if such Participant is employed by or provides services to a Person that is a Subsidiary of the Company and such Person ceases to be a Subsidiary of the Company, unless the Committee determines otherwise. A Participant who ceases to be an employee of the Company but continues, simultaneously commences, services as a director of the Company shall not be deemed to have had a termination of employment for purposes of the Decisions of the Committee shall be final, binding and conclusive on all parties.

On or after the date of grant of an Incentive Award under the Plan, the Committee may (i) accelerate the date on which any such Incentive A becomes vested, exercisable or transferable, as the case may be, (ii) extend the term of any such Incentive Award, including, without limitation, extend the period following a termination of a Participant's employment during which any such Incentive Award may remain outstanding, (iii) waive any conditi the vesting, exercisability or transferability, as the case may be, of any such Incentive Award or (iv) provide for the payment of dividends or dividend equivalents with respect to any such Incentive Award; provided, that the Committee shall not have any such authority to the extent that the grant of su authority would cause any tax to become due under Section 409A of the Code. Notwithstanding anything herein to the contrary, the Company shall no reprice any stock option (within the meaning of Section 303A.08 of the New York Stock Exchange Listed Company Manual) without the approval of the shareholders of TWPC.

The Company shall pay any amount payable with respect to an Incentive Award in accordance with the terms of such Incentive Award, provi that the Committee may, in its discretion, defer the payment of amounts payable with respect to an Incentive Award subject to and in accordance with t terms of a Deferred Compensation Plan.

No member of the Committee shall be liable for any action, omission, or determination relating to the Plan, and TWPC shall indemnify and ho harmless each member of the Committee and each other director or employee of the Company to whom any duty or power relating to the administratio interpretation of the Plan has been delegated, against any cost or expense (including counsel fees) or liability (including any sum paid in settlement of claim with the approval of the Committee) arising out of any action, omission or determination relating to the Plan, unless, in either case, such action, omission or determination was taken or made by such member, director or employee in bad faith and without reasonable belief that it was in the best interests of the Company.

5. Eligibility

The Persons who shall be eligible to receive Incentive Awards pursuant to the Plan shall be those employees and directors of the Company the Committee shall select from time to time. Each Incentive Award granted under the Plan shall be evidenced by an instrument in writing in form and substance approved by the Committee.

6. Options

The Committee may from time to time grant Options, subject to the following terms and conditions:

(a) Exercise Price

The exercise price per share of Common Stock covered by any Option shall be not less than 100% of the Fair Market Value of a share of Common Stock on the date on which such Option is granted.

(b) Term and Exercise of Options

(1) Each Option shall become vested and exercisable on such date or dates, during such period and for such number of shares of Common as shall be determined by the Committee on or after the date such Option is granted; provided, however that no Option shall be exercisable after the expiration of ten years from the date such Option is granted; and, provided, further, that each Option shall be subject to earlier termination, expiration cancellation as provided in the Plan or in the agreement evidencing such Option.

(2) Each Option may be exercised in whole or in part; provided, however that no partial exercise of an Option shall be for an aggregate exer price of less than $1,000. The partial exercise of an Option shall not cause the expiration, termination or cancellation of the remaining portion thereof.

(3) An Option shall be exercised by such methods and procedures as the Committee determines from time to time, including without limitatio through net physical settlement or other method of cashless exercise.

(4) Options may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of a Participant, only by the Participant; provided, however that the Committee may p in its discretion Options to be sold, pledged, assigned, hypothecated, transferred, or disposed of, on a general or specific basis, subject to such conditi and limitations as the Committee may determine.

(c) Effect of Termination of Employment or Other Relationship

The agreement evidencing the award of each Option shall specify the consequences with respect to such Option of the termination of the employment or other service between the Company and the Participant holding the Option.

7. Other Stock-Based Awards

The Committee may grant equity-based or equity-related awards not otherwise described herein in such amounts and subject to such terms conditions as the Committee shall determine. Without limiting the generality of the preceding sentence, each such Other Stock-Based Award may (i) in the transfer of actual shares of Common Stock to Participants, either at the time of grant or thereafter, or payment in cash or otherwise of amounts bas the value of shares of Common Stock, (ii) be subject to performance-based and/or service-based conditions, (iii) be in the form of stock appreciation ri phantom stock, restricted stock, restricted stock units, performance shares, deferred share units or share-denominated performance units, (iv) be desi to comply with applicable laws of jurisdictions other than the United States and (v) be designed to qualify as Performance-Based Compensation; provi that each Other Stock-Based Award shall be denominated in, or shall have a value determined by reference to, a number of shares of Common Stock specified at the time of the grant of such award.

8. Cash Incentive Awards

The Committee may grant Cash Incentive Awards with respect to any Performance Period, subject to the terms and conditions of the Plan. C Incentive Awards may be settled in cash or in other property, including shares of Common Stock, provided that the term “Cash Incentive Award” shall exclude any Stock Incentive Award. Cash Incentive Awards may be designed to qualify as Performance-Based Compensation.

9. Performance-Based Compensation

(a) Calculation

The amount payable with respect to an Incentive Award that is intended to qualify as Performance-Based Compensation shall be determined any manner permitted by Section 162(m) of the Code.

(b) Discretionary Reduction

Unless otherwise specified in the agreement evidencing the grant of an Incentive Award that is intended to qualify as Performance-Based Compensation, the Committee may, in its discretion, reduce or eliminate the amount payable to any Participant with respect to the Incentive Award, ba on such factors as the Committee may deem relevant, but the Committee may not increase any such amount above the amount established in accord with the relevant Performance Schedule. For purposes of clarity, the Committee may exercise the discretion provided for by the foregoing sentence in uniform manner among Participants.

(c) Performance Measures

The performance goals upon which the payment or vesting of any Incentive Award (other than Options and stock appreciation rights) that is intended to qualify as Performance-Based Compensation depends shall relate to one or more of the following Performance Measures: market price of Common Stock, earnings per share of Common Stock, net income or profit (before or after taxes), return on stockholder equity, cash flow, return on as earnings before interest and taxes, earnings before interest, taxes, depreciation and amortization, earnings from continuing operations, sales or revenu capital or investment, market share, cost reduction goals, budget comparisons, implementation or completion of specified projects or processes, the formation of joint ventures, research or development collaborations, or the completion of other transactions, any other measure of financial performanc can be determined pursuant to U.S. generally accepted accounting principles, or any combination of any of the foregoing.

A Performance Measure (i) may relate to the performance of the Participant, TWPC, a Subsidiary, any business group, any business unit or subdivision of the Company, or any combination of the foregoing, as the Committee deems appropriate and (ii) may be expressed as an amount, as an increase or decrease over a specified period, as a relative comparison to the performance of a group of comparator companies or a published or spec index, or any other external measure of the selected performance criteria, as the Committee deems appropriate. The measurement of any Performanc Measure may exclude the impact of charges for restructurings, discontinued operations, extraordinary items, and other unusual or non-recurring items the cumulative effects of accounting changes, each as defined by generally accepted accounting principles and as identified in the Company's audited financial statements, including the notes thereto.

(d) Performance Schedules

Within 90 days after the beginning of a Performance Period, and in any case before 25% of the Performance Period has elapsed, the Comm shall establish (a) Performance Targets for such Performance Period, (b) Target Awards for each Participant, and (c) Performance Schedules for such Performance Period.

(e) Termination of Employment

The consequences with respect to a Performance-Based Award of the termination of employment of the Participant holding the Performance Based Award shall be determined by the Committee in its sole discretion and set forth in the applicable Award Agreement, it being intended that no agreement providing for a payment to a Participant upon termination of employment without cause shall be given effect to the extent that it would caus Incentive Award that was intended to qualify as a Performance-Based Award to fail to so qualify.

(f) Committee Discretion

Nothing in this Section 9 is intended to limit the Committee's discretion to adopt conditions with respect to any Incentive Award that is not inte to qualify as Performance-Based Compensation. In addition, the Committee may, subject to the terms of the Plan, amend previously granted Incentive Awards in a way that disqualifies them as Performance-Based Compensation.

10. Adjustment Upon Certain Changes

Subject to any action by the shareholders of TWPC required by law, applicable tax rules or the rules of any exchange on which shares of cor stock of TWPC are listed for trading:

(a) Shares Available for Grants

In the event of any change in the number or type of shares of common stock of TWPC outstanding by reason of any stock dividend or split, recapitalization, merger, consolidation, combination or exchange of shares or similar corporate change, the type and maximum aggregate number of s of Common Stock with respect to which the Committee may grant Incentive Awards and the maximum aggregate number of shares of Common Stock respect to which the Committee may grant Incentive Awards to any individual Participant in any year shall be appropriately adjusted by the Committee the event of any change in the type or number of shares of common stock of TWPC outstanding by reason of any other event or transaction, the Com may, to the extent deemed appropriate by the Committee, make such adjustments in the number and class of shares of Common Stock with respect to which Incentive Awards may be granted.

(b) Increase or Decrease in Issued Shares Without Consideration

In the event of any increase or decrease in the type or number of issued shares of common stock of TWPC resulting from a subdivision or consolidation of shares of common stock of TWPC or the payment of a stock dividend (but only on the shares of common stock of TWPC), or any othe increase or decrease in the number of such shares effected without receipt or payment of consideration by the Company, the Committee may, to the e deemed appropriate by the Committee, adjust the type or number of shares of Common Stock subject to each outstanding Incentive Award and the ex price per share of Common Stock of each such Incentive Award.

(c) Certain Mergers

In the event of any merger, consolidation or similar transaction as a result of which the holders of shares of Common Stock receive considera consisting exclusively of securities of the surviving corporation in such transaction, the Committee may, to the extent deemed appropriate by the Comm adjust each Incentive Award outstanding on the date of such merger or consolidation so that it pertains and applies to the securities which a holder of t number of shares of Common Stock subject to such Incentive Award would have received in such merger or consolidation.

(d) Certain Other Transactions

In the event of (i) a dissolution or liquidation of TWPC, (ii) a sale of all or substantially all of the Company's assets (on a consolidated basis), (iii) a merger, consolidation or similar transaction involving TWPC in which the holders of shares of Common Stock receive securities and/or other prop including cash, other than shares of the surviving corporation in such transaction, the Committee shall, in its sole discretion, have the power to:

(i) cancel, effective immediately prior to the occurrence of such event, each Incentive Award (whether or not then exercisable or ve and, in full consideration of such cancellation, pay to the Participant to whom such Incentive Award was granted an amount in cash, for each of Common Stock subject to such Incentive Award, equal to the value, as determined by the Committee, of such Incentive Award, provided th with respect to any outstanding Option such value shall be equal to the excess of (A) the value, as determined by the Committee, of the prop (including cash) received by the holder of a share of Common Stock as a result of such event over (B) the exercise price of such Option; or

(ii) provide for the exchange of each Incentive Award (whether or not then exercisable or vested) for an Incentive Award with respe some or all of the property which a holder of the number of shares of Common Stock subject to such Incentive Award would have received in transaction and, incident thereto, make an equitable adjustment as determined by the Committee in the exercise price of the Incentive Award the number of shares or amount of property subject to the Incentive Award or provide for a payment (in cash or other property) to the Particip whom such Incentive Award was granted in partial consideration for the exchange of the Incentive Award.

(e) Other Changes

In the event of any change in the capitalization of TWPC or corporate change other than those specifically referred to in paragraphs 10(b), (c (d), the Committee may make such adjustments in the number and class of shares subject to Stock Incentive Awards outstanding on the date on which change occurs and in such other terms of such Incentive Awards, including without limitation in any Performance Schedule, Performance Target or Tar Award, as the Committee may consider appropriate, provided that if any such Incentive Award is intended to be Performance-Based Compensation su adjustment is consistent with the requirements of Section 162(m) of the Code.

(f) Cash Incentive Awards

In the event of any transaction or event described in this Section 10, including without limitation any corporate change referred to in paragrap (e) hereof, the Committee may, in its sole discretion, make such adjustments in any Performance Schedule, Performance Target or Target Award, and such other terms of any Cash Incentive Award, as

the Committee may consider appropriate in respect of such transaction or event, provided that if such Cash Incentive Award is intended to be Perform
Based Compensation such adjustment is consistent with the requirements of Section 162(m) of the Code.

(g) No Other Rights

Except as expressly provided in the Plan, no Participant shall have any rights by reason of any subdivision or consolidation of shares of stoc
any class, the payment of any dividend, any increase or decrease in the number of shares of stock of any class or any dissolution, liquidation, merger
consolidation of TWPC or any other corporation. Except as expressly provided in the Plan, no issuance by TWPC of shares of stock of any class, or
securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number of
shares or amount of other property subject to, or the terms related to, any Incentive Award.

(h) Savings Clause

No provision of this Section 10 shall be given effect to the extent that such provision would cause any tax to become due under Section 409A
the Code.

11. Rights Under the Plan

No Person shall have any rights as a stockholder with respect to any shares of Common Stock covered by or relating to any Incentive Award
the date of the issuance of such shares on the books and records of TWPC. Except as otherwise expressly provided in Section 10 hereof, no adjustme
any Incentive Award shall be made for dividends or other rights for which the record date occurs prior to the date of such issuance. Nothing in this
Section 11 is intended, or should be construed, to limit authority of the Committee to cause the Company to make payments based on the dividends th
would be payable with respect to any share of Common Stock if it were issued or outstanding, or from granting rights related to such dividends.

The Company shall not have any obligation to establish any separate fund or trust or other segregation of assets to provide for payments un
the Plan. To the extent any person acquires any rights to receive payments hereunder from the Company, such rights shall be no greater than those of
unsecured creditor.

12. No Special Employment Rights; No Right to Incentive Award

(a) Nothing contained in the Plan or any Incentive Award shall confer upon any Participant any right with respect to the continuation of his
employment by or service to the Company or interfere in any way with the right of the Company at any time to terminate such employment or service o
increase or decrease the compensation of the Participant from the rate in existence at the time of the grant of an Incentive Award.

(b) No person shall have any claim or right to receive an Incentive Award hereunder. The Committee's granting of an Incentive Award to a
Participant at any time shall neither require the Committee to grant an Incentive Award to such Participant or any other Participant or other person at a
time nor preclude the Committee from making subsequent grants to such Participant or any other Participant or other person.

13. Securities Matters

(a) TWPC shall be under no obligation to effect the registration pursuant to the Securities Act of any shares of Common Stock to be issued
hereunder or to effect similar compliance under any state laws. Notwithstanding anything herein to the contrary, TWPC shall not be obligated to cause
issued any shares of Common Stock pursuant to the Plan unless and until TWPC is advised by its counsel that the issuance of such shares is in comp
with all applicable laws, regulations of governmental authority and the requirements of any securities exchange on which shares of Common Stock are
traded. The Committee may require, as a condition to the issuance of shares of Common Stock pursuant to the terms hereof, that the recipient of such
shares make such covenants, agreements and representations, and that any certificates representing such shares bear such legends, as the Committ
deems necessary or desirable.

(b) The exercise of any Option granted hereunder shall only be effective at such time as counsel to TWPC shall have determined that the iss
of shares of Common Stock pursuant to such exercise is in compliance with all applicable laws, regulations of governmental authority and the requiren
of any securities exchange on which shares of Common Stock are traded. TWPC may, in its sole discretion, defer the effectiveness of an exercise of a
Option hereunder or the issuance of shares of Common Stock pursuant to any Incentive Award pending or to ensure compliance under federal or state
securities laws. TWPC shall inform the Participant in writing of its decision to defer the effectiveness of the exercise of an Option or the issuance of sha
of Common Stock pursuant to any Incentive Award. During the period that the effectiveness of the exercise of an Option has been deferred, the Partici
may, by written notice, withdraw such exercise and obtain the refund of any amount paid with respect thereto.

14. Withholding Taxes

(a) Cash Remittance

Whenever shares of Common Stock are to be issued upon the exercise of an Option or the grant or vesting of an Incentive Award, and wher any amount shall become payable in respect of any Incentive Award, TWPC shall have the right to require the Participant to remit to TWPC in cash an amount sufficient to satisfy federal, state and local withholding tax requirements, if any, attributable to such exercise, grant, vesting or payment prior to issuance of such shares or the effectiveness of the lapse of such restrictions or making of such payment. In addition, upon the exercise or settlement o Incentive Award in cash, or the making of any other payment with respect to any Incentive Award (other than in shares of Common Stock), TWPC sha have the right to withhold from any payment required to be made pursuant thereto an amount sufficient to satisfy the federal, state and local withholdin requirements, if any, attributable to such exercise, settlement or payment.

(b) Stock Remittance

At the election of the Participant, subject to the approval of the Committee, when shares of Common Stock are to be issued upon the exercis grant or vesting of an Incentive Award, the Participant may tender to TWPC a number of shares of Common Stock that have been owned by the Partic for at least six months (or such other period as the Committee may determine) having a Fair Market Value at the tender date determined by the Comm to be sufficient to satisfy the minimum federal, state and local withholding tax requirements, if any, attributable to such exercise, grant or vesting but no greater than the minimum withholding obligations. Such election shall satisfy the Participant's obligations under Section 14(a) hereof, if any.

(c) Stock Withholding

At the election of the Participant, subject to the approval of the Committee, when shares of Common Stock are to be issued upon the exercis grant or vesting of an Incentive Award, TWPC shall withhold a number of such shares having a Fair Market Value at the exercise date determined by t Committee to be sufficient to satisfy the minimum federal, state and local withholding tax requirements, if any, attributable to such exercise, grant or ve but not greater than the minimum withholding obligations. Such election shall satisfy the Participant's obligations under Section 14(a) hereof, if any.

15. Amendment or Termination of the Plan

The Board of Directors may at any time suspend or discontinue the Plan or revise or amend it in any respect whatsoever; provided, however to the extent that any applicable law, tax requirement, or rule of a stock exchange requires shareholder approval in order for any such revision or amendment to be effective, such revision or amendment shall not be effective without such approval. The preceding sentence shall not restrict the Committee's ability to exercise its discretionary authority hereunder pursuant to Section 4 hereof, which discretion may be exercised without amendme the Plan. No provision of this Section 15 shall be given effect to the extent that such provision would cause any tax to become due under Section 409A the Code. Except as expressly provided in the Plan, no action hereunder may, without the consent of a Participant, reduce the Participant's rights unde previously granted and outstanding Incentive Award. Nothing in the Plan shall limit the right of the Company to pay compensation of any kind outside t terms of the Plan.

16. No Obligation to Exercise

The grant to a Participant of an Incentive Award shall impose no obligation upon such Participant to exercise such Incentive Award.

17. Transfers Upon Death

Upon the death of a Participant, outstanding Incentive Awards granted to such Participant may be exercised only by the executors or administrators of the Participant's estate or by any person or persons who shall have acquired such right to exercise by will or by the laws of descent a distribution. No transfer by will or the laws of descent and distribution of any Incentive Award, or the right to exercise any Incentive Award, shall be effe to bind TWPC unless the Committee shall have been furnished with (a) written notice thereof and with a copy of the will and/or such evidence as the Committee may deem necessary to establish the validity of the transfer and (b) an agreement by the transferee to comply with all the terms and condit of the Incentive Award that are or would have been applicable to the Participant and to be bound by the acknowledgements made by the Participant in connection with the grant of the Incentive Award.

18. Expenses and Receipts

The expenses of the Plan shall be paid by TWPC. Any proceeds received by TWPC in connection with any Incentive Award will be used for general corporate purposes.

19. Governing Law

The Plan and the rights of all persons under the Plan shall be construed and administered in accordance with the laws of the State of New Y without regard to its conflict of law principles.

20. Effective Date and Term of Plan

The Plan was adopted by the Board of Directors on February 23, 2012, subject to the approval of the Plan by the shareholders of TWPC. No grants of Incentive Awards may be made under the Plan after February 23, 2022.

Exhib

RULE 13a-14(a)/15d-14(a) CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

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 rep

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the fin 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 Exc 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 supervisio ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within thos 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 e 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 rec 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 reasonal 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 co over financial reporting.

/s/ Donald E. Graham

Donald E. Graham
Chief Executive Officer
August 7, 2012

Exhib

RULE 13a-14(a)/15d-14(a) CERTIFICATION OF THE CHIEF FINANCIAL OFFICER
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

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 rep

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the fin 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 Exc 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 supervisio ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within thos 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 e 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 rec 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 reasonal 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 co over financial reporting.

/s/ Hal S. Jones

Hal S. Jones
Senior Vice President-Finance
August 7, 2012

Exh

SECTION 1350 CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER AND THE CHIEF FINANCIAL OFFICER
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of The Washington Post Company (the “Company”) on Form 10-Q for the period ended June 30, 2012 (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
August 7, 2012

/s/ Hal S. Jones

Hal S. Jones
Senior Vice President-Finance
August 7, 2012