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 September 30, 2013

or

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

Commission File Number 1-6714

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

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes 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 definitions of "large accelerated filer," accelerated filer" and "small reporting company" in Rule 12b-2 of the Exchange Act.

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 November 1, 2013:

Class A Common Stock – 1,169,073 Shares
Class B Common Stock – 6,214,516 Shares

THE WASHINGTON POST COMPANY

Index to Form 10-Q

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

a. Condensed Consolidated Statements of Operations (Unaudited) for the Three and Nine Months Ended September 30, 2013 and 2012

b. Condensed Consolidated Statements of Comprehensive Income (Unaudited) for the Three and Nine Months Ended September 30, 2013 and 2012

c. Condensed Consolidated Balance Sheets at September 30, 2013 (Unaudited) and December 31, 2012

d. Condensed Consolidated Statements of Cash Flows (Unaudited) for the Nine Months Ended September 30, 2013 and 2012

e. Notes to Condensed Consolidated Financial Statements (Unaudited)

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

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Item 4. Controls and Procedures

PART II. OTHER INFORMATION

Item 6. Exhibits

Signatures

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 September 30, 2013	Three Months Ended September 30, 2012	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012
Operating Revenues				
Education	**$ 546,452**	$ 551,696	**$ 1,622,497**	$ 1,6
Advertising	**84,444**	105,855	**264,108**	2
Subscriber and circulation	**190,302**	185,326	**569,365**	5
Other	**81,281**	34,760	**172,945**	
	902,479	877,637	**2,628,915**	2,5
Operating Costs and Expenses				
Operating	**430,889**	407,364	**1,213,369**	1,1
Selling, general and administrative	**331,247**	314,359	**992,294**	9
Depreciation of property, plant and equipment	**55,633**	57,588	**173,344**	1
Amortization of intangible assets	**2,837**	5,090	**9,867**	
	820,606	784,401	**2,388,874**	2,3
Income from Operations	**81,873**	93,236	**240,041**	2
Equity in earnings of affiliates, net	**5,892**	4,099	**13,178**	
Interest income	**642**	648	**1,674**	
Interest expense	**(9,221)**	(8,738)	**(27,229)**	(2
Other income (expense), net	**8,110**	4,163	**(8,831)**	
Income from Continuing Operations Before Income Taxes	**87,296**	93,408	**218,833**	2
Provision for Income Taxes	**31,000**	37,000	**83,300**	
Income from Continuing Operations	**56,296**	56,408	**135,533**	1
(Loss) Income from Discontinued Operations, Net of Tax	**(25,872)**	37,539	**(54,716)**	
Net Income	**30,424**	93,947	**80,817**	1
Net (Income) Loss Attributable to Noncontrolling Interests	**(75)**	71	**(425)**	
Net Income Attributable to The Washington Post Company	**30,349**	94,018	**80,392**	1
Redeemable Preferred Stock Dividends	**(205)**	(222)	**(855)**	
Net Income Attributable to The Washington Post Company Common Stockholders	**$ 30,144**	$ 93,796	**$ 79,537**	$ 1
Amounts Attributable to The Washington Post Company Common Stockholders				
Income from continuing operations	**$ 56,016**	$ 56,257	**$ 134,253**	$ 1
(Loss) income from discontinued operations, net of tax	**(25,872)**	37,539	**(54,716)**	
Net income attributable to The Washington Post Company common stockholders	**$ 30,144**	$ 93,796	**$ 79,537**	$ 1
Per Share Information Attributable to The Washington Post Company Common Stockholders				
Basic income per common share from continuing operations	**$ 7.55**	$ 7.58	**$ 18.09**	$
Basic (loss) income per common share from discontinued operations	**(3.48)**	5.06	**(7.37)**	
Basic net income per common share	**$ 4.07**	$ 12.64	**$ 10.72**	$
Basic average number of common shares outstanding	**7,231**	7,272	**7,229**	
Diluted income per common share from continuing operations	**$ 7.53**	$ 7.58	**$ 18.07**	$
Diluted (loss) income per common share from discontinued operations	**(3.48)**	5.06	**(7.37)**	
Diluted net income per common share	**$ 4.05**	$ 12.64	**$ 10.70**	$
Diluted average number of common shares outstanding	**7,337**	7,376	**7,316**	

See accompanying Notes to Condensed Consolidated Financial Statements.

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

(In thousands)	Three Months Ended September 30, 2013	Three Months Ended September 30, 2012	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 201
Net Income	**$ 30,424**	$ 93,947	**$ 80,817**	$ 1
Other Comprehensive Income (Loss), Before Tax				
Foreign currency translation adjustments:				
Translation adjustments arising during the period	**5,639**	5,321	**(2,061)**	
Adjustment for sales of businesses with foreign operations	**—**	(1,409)	**—**	
	5,639	3,912	**(2,061)**	
Unrealized gains (losses) on available-for-sale securities:				
Unrealized gains (losses) for the period	**938**	(5,966)	**81,439**	3
Reclassification adjustment for gain on available-for-sale securities included in net income	**—**	—	**(884)**	
	938	(5,966)	**80,555**	3
Pension and other postretirement plans:				
Amortization of net prior service credit included in net income	**(384)**	(469)	**(1,205)**	(
Amortization of net actuarial loss included in net income	**2,004**	2,592	**6,325**	
Settlement gain included in net income	**—**	—	**(3,471)**	
	1,620	2,123	**1,649**	
Cash flow hedge gain (loss)	**15**	217	**259**	(
Other Comprehensive Income, Before Tax	**8,212**	286	**80,402**	3
Income tax (expense) benefit related to items of other comprehensive income	**(1,028)**	1,451	**(32,985)**	(1
Other Comprehensive Income, Net of Tax	**7,184**	1,737	**47,417**	2
Comprehensive Income	**37,608**	95,684	**128,234**	2
Comprehensive (income) loss attributable to noncontrolling interests	**(75)**	76	**(447)**	
Total Comprehensive Income Attributable to The Washington Post Company	**$ 37,533**	$ 95,760	**$ 127,787**	$ 2

See accompanying Notes to Consolidated Financial Statements.

THE WASHINGTON POST COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands)		September 30, 2013 (Unaudited)		December 3[illegible] 2012
Assets				
Current Assets				
Cash and cash equivalents	**$**	**440,810**	$	5[illegible]
Restricted cash		**47,205**		[illegible]
Investments in marketable equity securities and other investments		**497,662**		4[illegible]
Accounts receivable, net		**375,223**		3[illegible]
Deferred income taxes		**—**		
Inventories		**2,484**		
Other current assets		**76,936**		[illegible]
Current assets of discontinued operations (includes $849 in cash)		**70,360**		
Total Current Assets		**1,510,680**		1,4[illegible]
Property, Plant and Equipment, Net		**910,636**		1,0[illegible]
Investments in Affiliates		**32,997**		[illegible]
Goodwill, Net		**1,293,482**		1,3[illegible]
Indefinite-Lived Intangible Assets, Net		**541,478**		5[illegible]
Amortized Intangible Assets, Net		**43,542**		[illegible]
Prepaid Pension Cost		**529,165**		6[illegible]
Deferred Charges and Other Assets		**49,161**		[illegible]
Noncurrent Assets of Discontinued Operations		**184,740**		
Total Assets	**$**	**5,095,881**	$	5,1[illegible]
Liabilities and Equity				
Current Liabilities				
Accounts payable and accrued liabilities	**$**	**478,827**	$	4[illegible]
Income taxes payable		**22,341**		
Deferred income taxes		**29,669**		
Deferred revenue		**402,074**		3[illegible]
Dividends declared		**206**		
Short-term borrowings		**3,022**		2[illegible]
Current liabilities of discontinued operations		**57,823**		
Total Current Liabilities		**993,962**		1,1[illegible]
Postretirement Benefits Other Than Pensions		**36,301**		[illegible]
Accrued Compensation and Related Benefits		**215,649**		2[illegible]
Other Liabilities		**86,021**		1[illegible]
Deferred Income Taxes		**521,489**		5[illegible]
Long-Term Debt		**448,067**		4[illegible]
Noncurrent Liabilities of Discontinued Operations		**45,732**		
Total Liabilities		**2,347,221**		2,4[illegible]
Redeemable Noncontrolling Interest		**5,982**		[illegible]
Redeemable Preferred Stock		**10,665**		[illegible]
Preferred Stock		**—**		
Common Stockholders' Equity				
Common stock		**20,000**		[illegible]
Capital in excess of par value		**261,751**		2[illegible]
Retained earnings		**4,626,311**		4,5[illegible]
Accumulated other comprehensive income, net of tax				
Cumulative foreign currency translation adjustment		**24,011**		[illegible]
Unrealized gain on available-for-sale securities		**158,886**		1[illegible]
Unrealized gain on pensions and other postretirement plans		**118,159**		1[illegible]
Cash flow hedge		**(785)**		
Cost of Class B common stock held in treasury		**(2,476,613)**		(2,47[illegible]
Total Common Stockholders' Equity		**2,731,720**		2,5[illegible]
Noncontrolling Interests		**293**		
Total Equity		**2,732,013**		2,5[illegible]
Total Liabilities and Equity	**$**	**5,095,881**	$	5,1[illegible]

See accompanying Notes to Condensed Consolidated Financial Statements.

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

(in thousands)	Nine Months Ended September 30, 2013	2012
Cash Flows from Operating Activities		
Net Income	**$ 80,817**	$ 17
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation of property, plant and equipment	**191,388**	19
Amortization of intangible assets	**9,867**	1
Net pension expense	**11,425**	
Early retirement program expense	**22,700**	
Stock-based compensation expense	**34,429**	1
Foreign exchange loss (gain)	**9,350**	(
Net loss (gain) on sales and disposition of businesses	**70**	(2
Net gain on sales or write-downs of marketable equity securities and cost method investments	**(714)**	(
Equity in earnings of affiliates, net of distributions	**(13,168)**	(1
Benefit for deferred income taxes	**(8,802)**	(1
Net loss on sale or write-down of property, plant and equipment and other assets	**1,476**	
Increase in accounts receivable, net	**(32,717)**	(1
Decrease in inventories	**1,138**	
Increase (decrease) in accounts payable and accrued liabilities	**8,587**	(2
Increase in deferred revenue	**31,885**	2
Increase (decrease) in income taxes payable	**21,884**	(3
Increase in other assets and other liabilities, net	**(23,329)**	(
Other	**1,340**	
Net Cash Provided by Operating Activities	**347,626**	29
Cash Flows from Investing Activities		
Purchases of property, plant and equipment	**(143,298)**	(152
Investments in certain businesses, net of cash acquired	**(19,927)**	(8
Purchases of marketable equity securities and other investments	**(12,029)**	(46
Net proceeds from sales of businesses, property, plant and equipment and other assets	**5,800**	7
Other	**(3)**	
Net Cash Used in Investing Activities	**(169,457)**	(131
Cash Flows from Financing Activities		
Repayment of short-term borrowing	**(240,121)**	(109
Common shares repurchased	**(4,196)**	(97
Purchase of shares from a noncontrolling interest	**(3,115)**	
Dividends paid	**(649)**	(56
Other	**536**	1
Net Cash Used in Financing Activities	**(247,545)**	(243
Effect of Currency Exchange Rate Change	**(1,396)**	
Net Decrease in Cash and Cash Equivalents	**(70,772)**	(75
Beginning Cash and Cash Equivalents	**512,431**	38
Ending Cash and Cash Equivalents	**$ 441,659**	$ 30

See accompanying Notes to Condensed Consolidated Financial Statements.

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 and television broadcasting (through the ownership and operation of six television broadcast stations).

The Company announced on August 5, 2013 that it had entered into an agreement to sell The Washington Post, and some other newspaper publishin entities. On October 1, 2013, the Company completed such sale. The operating results of The Washington Post and publishing businesses sold have presented in (loss) income from discontinued operations, net of tax, for all periods presented.

Financial Periods – The Company and its subsidiaries report on a calendar-quarter basis.

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 o 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 and 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 nine months ended September 30, 2013 and 2 may not be indicative of the Company's future results. These condensed consolidated financial statements are unaudited and should be read in conjun 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, 2012.

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 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.

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

Recently Adopted and Issued Accounting Pronouncements – In February 2013, the Financial Accounting Standards Board (FASB) issued final guidance on the presentation of reclassifications out of other comprehensive income to net income. The amendment requires an entity to provide information about the amounts reclassified out of other comprehensive income by component. In addition, an entity is required to present, either on the of the income statement or in a footnote, significant amounts reclassified out of accumulated other comprehensive income by the respective line items income, only if the amount reclassified is required by GAAP to be reclassified to net income in its entirety in the same reporting period. For other amou that are not required under GAAP to be reclassified in their entirety to net income, an entity is required to cross-reference to other disclosures required under GAAP that provide detail about those amounts. This amendment is effective for interim and fiscal years beginning after December 15, 2012. The adoption of the amendment in the first quarter of 2013 is reflected in the Company's Notes to Condensed Consolidated Financial Statements.

2. DISCONTINUED OPERATIONS

On August 5, 2013, after approval by the Company's Board of Directors on the same day, the Company announced that it had entered into a binding le agreement (the Letter Agreement) with Nash Holdings LLC, a Delaware limited liability company (the Purchaser), and Explore Holdings LLC, a Washir limited liability company, as guarantor (the Guarantor), to sell all the issued and outstanding equity securities of each of WP Company LLC, Express Publications Company, LLC, El Tiempo Latino, LLC, Robinson Terminal Warehouse, LLC, Greater Washington Publishing, LLC and Post-Newsweek M LLC (the Publishing Subsidiaries). The Publishing Subsidiaries together conducted most of the Company's publishing businesses, including publishing *Washington Post*, *Express*, *The Gazette Newspapers*, *Southern Maryland Newspapers*, *Fairfax County Times* and *El Tiempo Latino* and related websi and operating Washington Post Live and Washington Post News Media Services and the Company's commercial printing and distribution business an paper handling and storage business (collectively, the Publishing Business), subject to satisfying certain conditions.

On October 1, 2013, the Company entered into a Purchase Agreement and completed the sale. Under the terms of the Purchase Agreement, the Purc acquired all the issued and outstanding equity securities of each of the entities that comprise the Publishing Subsidiaries for $250 million, subject to customary adjustment for cash, debt and working capital of the Publishing Subsidiaries at closing. The Purchaser also acquired all other assets of the Company primarily related to the Publishing Business, including all of the Company's rights in the name "The Washington Post". The Company will cha its corporate name within 60 days of the October 1 closing. The Company retained its interest in Classified Ventures, LLC, Slate magazine, TheRoot.c and Foreign Policy, as well as the WaPo Labs and SocialCode business and certain real estate, including the headquarters building in downtown Washington, DC and certain land and property in Alexandria, VA. The liabilities under the Retirement Plan for The Washington Post Companies relatin the active employees of the Publishing Business will be transferred to the Purchaser, along with pension assets that have a value equal to the projecte benefit obligation in respect of these active employees plus an additional $50 million. The results of operations of Publishing Subsidiaries for the three nine months ended September 30, 2013 and 2012, are included in the Company's Condensed Consolidated Statements of Operations as Income (Los from Discontinued Operations, Net of Tax.

The Company will not record the gain or the net proceeds on the sale until the fourth quarter of 2013; however, the Company recognized $28.4 million tax impact of $18.3 million) in expenses related to the sale that are included in discontinued operations in the third quarter of 2013. These costs includ net impact of accelerated vesting provisions and forfeitures of restricted stock awards and stock options that were made in contemplation of the sale, a certain other transaction-related expenses. Also included in discontinued operations is $22.7 million (after-tax basis of $14.5 million) in early retiremen program expense for the first nine months of 2013 and $7.5 million (after-tax basis of $4.6 million) and $8.5 million (after-tax basis of $5.3 million) for th third quarter and first nine months of 2012, respectively. The historical pension and postretirement benefits expense for retirees has been excluded fro reclassification of the Publishing Subsidiaries' results to discontinued operations, since the associated assets and liabilities will be retained by the Com Although the Company has retained ownership of certain real estate assets, including the headquarters building in downtown Washington, DC, related operating costs are included in the reclassification of the Publishing Subsidiaries' results to discontinued operations since the Purchase Agreement inc a lease to the buyer for the real estate assets that provides for recovery of operating costs by the Company.

All corresponding prior period operating results presented in the Company's Condensed Consolidated Financial Statements and the accompanying no have been reclassified to reflect the discontinued operations presented. The assets and liabilities of the Publishing Subsidiaries have been classified o Company's condensed consolidated balance sheet as assets and liabilities of discontinued operations as of September 30, 2013. The Company did no reclassify its Statements of Cash Flows or prior Condensed Consolidated Balance Sheets to reflect the discontinued operations.

The carrying amounts of the major classes of assets and liabilities of the Publishing Subsidiaries included in discontinued operations at September 30, are as follows:

(in thousands)		September 30, 2013
Cash and cash equivalents	$	[illegible]
Accounts receivable, net		[illegible]
Inventories		
Other current assets		
Current Assets of Discontinued Operations	$	[illegible]
Property, plant and equipment, net	$	**1[illegible]**
Goodwill, net		[illegible]
Prepaid pension cost		[illegible]
Deferred charges and other assets		
Noncurrent Assets of Discontinued Operations	$	**1[illegible]**
Accounts payable and accrued liabilities	$	[illegible]
Deferred revenue		[illegible]
Current Liabilities of Discontinued Operations	$	[illegible]
Postretirement benefits other than pensions	$	[illegible]
Accrued compensation and related benefits		
Other liabilities		[illegible]
Noncurrent Liabilities of Discontinued Operations	$	[illegible]

In March 2013, the Company completed the sale of The Herald, a daily and Sunday newspaper headquartered in Everett, WA. Under the terms of the agreement, the purchaser received most of the assets and liabilities; however, certain land and buildings and other assets and liabilities were retained Company. The results of operations of The Herald for the three and nine months ended September 30, 2013 and 2012, are included in the Company's Condensed Consolidated Statements of Operations as Income (Loss) from Discontinued Operations, Net of Tax.

In August 2012, the Company completed the sale of Kidum and recorded a pre-tax gain of $3.6 million and an after-tax gain of $10.2 million related to sale in the third quarter of 2012. On July 31, 2012, the Company disposed of its interest in Avenue100 Media Solutions, Inc. and recorded a pre-tax los $5.7 million related to the disposition. An income tax benefit of $44.5 million was also recorded in the third quarter of 2012 as the Company determined Avenue100 had no value. The income tax benefit was due to the Company's tax basis in the stock of Avenue100 exceeding its net book value, as a re goodwill and other intangible asset impairment charges recorded in 2008, 2010 and 2011 for which no tax benefit was previously recorded. In April 20 the Company completed the sale of Kaplan EduNeering. Under the terms of the agreement, the purchaser acquired the stock of EduNeering and rece substantially all the assets and liabilities. In the second quarter of 2012, the Company recorded an after-tax gain of $18.5 million related to this sale. In February 2012, Kaplan completed the stock sale of Kaplan Learning Technologies (KLT) and recorded an after-tax loss on the sale of $1.9 million. 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 relate the excess of the outside stock tax basis over the net book value of the net assets disposed. The results of operations of Kidum, Avenue100, EduNeer and KLT, for the three and nine months ended September 30, 2012 are included in the Company's Condensed Consolidated Statement of Operations Income (Loss) from Discontinued Operations, Net of Tax.

The summarized income (loss) from discontinued operations, net of tax, is presented below:

	Three Months Ended September 30,				Nine Months Ended September 30,			
(in thousands)		**2013**		2012		**2013**		2012
Operating revenues	**$**	**124,725**	$	137,668	**$**	**382,705**	$	4[illegible]
Operating costs and expenses		**(165,380)**		(155,701)		**(467,434)**		(49[illegible]
Loss from discontinued operations		**(40,655)**		(18,033)		**(84,729)**		(5[illegible]
Benefit from income taxes		**(14,783)**		(5,568)		**(30,059)**		(1[illegible]
Net Loss from Discontinued Operations		**(25,872)**		(12,465)		**(54,670)**		(3[illegible]
(Loss) gain on sales of discontinued operations		**—**		(2,174)		**(70)**		[illegible]
Benefit from income taxes on sales of discontinued operations		**—**		(52,178)		**(24)**		(6[illegible]
(Loss) Income from Discontinued Operations, Net of Tax	**$**	**(25,872)**	$	37,539	**$**	**(54,716)**	$	[illegible]

The following table summarizes the 2013 quarterly operating results of the Company following the reclassification of the operations discussed above a discontinued operations:

(in thousands, except per share amounts)		March 31, 2013		June 30 2013
Operating Revenues				
Education	$	527,815	$	5
Advertising		82,994		
Subscriber and circulation		186,790		1
Other		39,241		
		836,840		8
Operating Costs and Expenses				
Operating		381,965		4
Selling, general and administrative		337,865		3
Depreciation of property, plant and equipment		59,895		
Amortization of intangible assets		3,717		
		783,442		7
Income from Operations		53,398		1
Equity in earnings of affiliates, net		3,418		
Interest income		510		
Interest expense		(8,960)		(
Other expense, net		(4,083)		(1
Income from Continuing Operations before Income Taxes		44,283		
Provision for Income Taxes		17,800		
Income from Continuing Operations		26,483		
Loss from Discontinued Operations, Net of Tax		(21,224)		(
Net Income		5,259		
Net Income Attributable to Noncontrolling Interests		(97)		
Net Income Attributable to The Washington Post Company		5,162		
Redeemable Preferred Stock Dividends		(444)		
Net Income Attributable to The Washington Post Company Common Stockholders	$	4,718	$	
Amounts Attributable to The Washington Post Company Common Stockholders				
Income from continuing operations	$	25,942	$	
Loss from discontinued operations, net of tax		(21,224)		(
Net income attributable to the Washington Post Company common stockholders	$	4,718	$	
Per Share Information Attributable to The Washington Post Company Common Stockholders				
Basic income per common share from continuing operations	$	3.50	$	
Basic loss per common share from discontinued operations		(2.86)		
Basic net income per common share	$	0.64	$	
Diluted income per common share from continuing operations	$	3.50	$	
Diluted loss per common share from discontinued operations		(2.86)		
Diluted net income per common share	$	0.64	$	

The following table summarizes the 2012 quarterly operating results of the Company following the reclassification of the operations discussed above a
discontinued operations:

(in thousands, except per share amounts)	March 31, 2012	June 30, 2012	September 30, 2012	Decembe 2012
Operating Revenues				
Education	$ 546,685	$ 551,774	$ 551,696	$ 54
Advertising	82,600	94,649	105,855	11
Subscriber and circulation	178,022	182,639	185,326	18
Other	20,305	25,368	34,760	4
	827,612	854,430	877,637	89
Operating Costs and Expenses				
Operating	382,106	387,167	407,364	38
Selling, general and administrative	347,841	335,054	314,359	33
Depreciation of property, plant and equipment	56,165	56,594	57,588	
Amortization of intangible assets	3,839	4,407	5,090	
Impairment of goodwill and other long-lived assets	—	—	—	11
	789,951	783,222	784,401	91
Income (Loss) from Operations	37,661	71,208	93,236	(2
Equity in earnings of affiliates, net	3,888	3,314	4,099	
Interest income	1,069	775	648	
Interest expense	(9,163)	(8,979)	(8,738)	(
Other income (expense), net	8,588	(635)	4,163	(1
Income (Loss) from Continuing Operations before Income Taxes	42,043	65,683	93,408	(4
Provision for Income Taxes	17,200	23,900	37,000	
Income (Loss) from Continuing Operations	24,843	41,783	56,408	(5
Income from Discontinued Operations, Net of Tax	6,725	10,264	37,539	
Net Income (Loss)	31,568	52,047	93,947	(4
Net (Income) Loss Attributable to Noncontrolling Interests	(70)	(11)	71	
Net Income (Loss) Attributable to The Washington Post Company	31,498	52,036	94,018	(4
Redeemable Preferred Stock Dividends	(451)	(222)	(222)	
Net Income (Loss) Attributable to The Washington Post Company Common Stockholders	$ 31,047	$ 51,814	$ 93,796	$ (4
Amounts Attributable to The Washington Post Company Common Stockholders				
Income (loss) from continuing operations	$ 24,322	$ 41,550	$ 56,257	$ (5
Income from discontinued operations, net of tax	6,725	10,264	37,539	
Net income (loss) attributable to the Washington Post Company common stockholders	$ 31,047	$ 51,814	$ 93,796	$ (4
Per Share Information Attributable to The Washington Post Company Common Stockholders				
Basic income (loss) per common share from continuing operations	$ 3.17	$ 5.48	$ 7.58	$
Basic income per common share from discontinued operations	0.90	1.36	5.06	
Basic net income (loss) per common share	$ 4.07	$ 6.84	$ 12.64	$
Diluted income (loss) per common share from continuing operations	$ 3.17	$ 5.48	$ 7.58	$
Diluted income per common share from discontinued operations	0.90	1.36	5.06	
Diluted net income (loss) per common share	$ 4.07	$ 6.84	$ 12.64	$

The following table summarizes the annual operating results of the Company following the reclassification of operations discussed above as discontinu
operations:

(in thousands, except per share amounts)		2012		2011
Operating Revenues				
Education	$	2,196,496	$	2,4
Advertising		400,800		3
Subscriber and circulation		732,370		7
Other		125,904		8
		3,455,570		3,5
Operating Costs and Expenses				
Operating		1,566,257		1,5
Selling, general and administrative		1,333,516		1,3
Depreciation of property, plant and equipment		244,078		2
Amortization of intangible assets		20,946		2
Impairment of goodwill and other long-lived assets		111,593		
		3,276,390		3,1
Income from Operations		179,180		3
Equity in earnings of affiliates, net		14,086		
Interest income		3,393		
Interest expense		(35,944)		(3
Other expense, net		(5,456)		(5
Income from Continuing Operations Before Income Taxes		155,259		2
Provision for Income Taxes		83,200		1
Income from Continuing Operations		72,059		1
Income (Loss) from Discontinued Operations, Net of Tax		60,128		(3
Net Income		132,187		1
Net Income Attributable to Noncontrolling Interests		(74)		
Net Income Attributable to The Washington Post Company		132,113		1
Redeemable Preferred Stock Dividends		(895)		
Net Income Attributable to The Washington Post Company Common Stockholders	$	131,218	$	1
Amounts Attributable to The Washington Post Company Common Stockholders				
Income from continuing operations	$	71,090	$	1
Income (loss) from discontinued operations, net of tax		60,128		(3
Net income attributable to the Washington Post Company common stockholders	$	131,218	$	1
Per Share Information Attributable to The Washington Post Company Common Stockholders				
Basic income per common share from continuing operations	$	9.22	$	
Basic income (loss) per common share from discontinued operations		8.17		
Basic net income per common share	$	17.39	$	
Diluted income per common share from continuing operations	$	9.22	$	
Diluted income (loss) per common share from discontinued operations		8.17		
Diluted net income per common share	$	17.39	$	

3. INVESTMENTS

Investments in marketable equity securities comprised the following:

(in thousands)	As of September 30, 2013		As of December 2012	
Total cost	$	**193,159**	$	19
Net unrealized gains		**264,810**		18
Total Fair Value	$	**457,969**	$	38

There were no new investments in marketable equity securities during the first nine months of 2013. The Company invested $45.0 million in marketab equity securities during the first nine months of 2012. During the first nine months of 2013 and 2012, the proceeds from sales of marketable equity sec were $3.6 million and $2.0 million, respectively, and net realized gains on such sales were $0.9 million and $0.5 million, respectively.

As of September 30, 2013, the Company has a $7.0 million unrealized loss on its investment in Strayer Education, Inc., a publicly traded company. At September 30, 2013, the investment has been in an unrealized loss position for under six months. The Company evaluated this investment for other-th temporary impairment based on various factors, including the duration and severity of the unrealized loss, the reason for the decline in value and the potential recovery period, and the ability and intent to hold the investment and concluded that the unrealized loss is not other-than-temporary as of September 30, 2013. If any impairment is considered other-than-temporary, the investment will be written down to its fair market value with a correspo charge to the Consolidated Statement of Operations.

4. ACQUISITIONS AND DISPOSITIONS

Acquisitions. In the first nine months of 2013, the Company acquired five small businesses included in other businesses and in its education division purchase price allocation mostly comprised goodwill and other intangible assets on a preliminary basis. In the first nine months of 2012, the Company acquired four small businesses included in its education division and in other businesses; the purchase price allocation mostly comprised goodwill and intangible assets. The assets and liabilities of the companies acquired have been recorded at their estimated fair values at the date of acquisition.

On August 1, 2013, the Company completed its acquisition of Forney Corporation, a global supplier of products and systems that control and monitor combustion processes in electric utility and industrial applications. The operating results of Forney are included in other businesses.

In the second quarter of 2013, Kaplan purchased the remaining 15% noncontrolling interest in Kaplan China; this additional interest was accounted for equity transaction.

In September 2012, the Company entered into a stock purchase agreement to acquire a controlling interest in Celtic Healthcare, Inc. (Celtic), a provide home healthcare and hospice services in the northeastern and mid-Atlantic regions. The transaction closed on November 5, 2012. The operating resu Celtic are included in other businesses.

Dispositions. On August 5, 2013, the Company announced that it had entered into an agreement to sell its Publishing Subsidiaries that together conducted most of the Company's publishing business and related services, including publishing *The Washington Post*, *Express*, *The Gazette Newsp* *Southern Maryland Newspapers*, *Fairfax County Times* and *El Tiempo Latino* and related websites. Slate magazine, TheRoot.com and Foreign Policy not part of the transaction and will remain with The Washington Post Company, as will the WaPo Labs and SocialCode businesses, the Company's int in Classified Ventures and certain real estate assets, including the headquarters building in downtown Washington, DC. On October 1, 2013, the Comp completed the sale.

In March 2013, the Company completed the sale of The Herald, a daily and Sunday newspaper headquartered in Everett, WA. The Herald was previo reported in the newspaper publishing division.

The Company divested its interested in Avenue100 Media Solutions in July 2012, which was previously reported in other businesses. Kaplan complete sales of Kidum in August 2012, EduNeering in April 2012 and Kaplan Learning Technologies in February 2012, which were part of the Kaplan Ventures division.

Consequently, the Company's income from continuing operations excludes these sold businesses, which have been reclassified to discontinued opera net of tax (see Note 2).

5. GOODWILL AND OTHER INTANGIBLE ASSETS

Amortization of intangible assets for the three months ended September 30, 2013 and 2012 was $2.8 million and $5.1 million, respectively. Amortizatio intangible assets for the nine months ended September 30, 2013 and 2012 was $9.9 million and $13.3 million, respectively. Amortization of intangible is estimated to be approximately $4 million for the remainder of 2013, $11 million in 2014, $9 million in 2015, $8 million in 2016, $5 million in 2017, $4 in 2018 and $3 million thereafter.

The changes in the carrying amount of goodwill, by segment, were as follows:

(in thousands)	**Education**	**Cable Television**	**Newspaper Publishing**	**Television Broadcasting**	**Other Businesses**	**Total**
Balance as of December 31, 2012						
Goodwill	$ 1,097,058	$ 85,488	$ 81,183	$ 203,165	$ 19,052	$ 1,4
Accumulated impairment losses	(102,259)	—	(65,772)	—	—	(16
	994,799	85,488	15,411	203,165	19,052	1,3
Reallocation, net	**—**	**—**	**(1,809)**	**—**	**1,809**	
Acquisitions	**—**	**—**	**—**	**—**	**7,924**	
Reclassification to discontinued operations	**—**	**—**	**(13,602)**	**—**	**—**	**(1**
Foreign currency exchange rate changes	**(18,755)**	**—**	**—**	**—**	**—**	**(1**
Balance as of September 30, 2013						
Goodwill	**1,078,303**	**85,488**	**—**	**203,165**	**34,867**	**1,4**
Accumulated impairment losses	**(102,259)**	**—**	**—**	**—**	**(6,082)**	**(10**
	$ 976,044	**$ 85,488**	**$ —**	**$ 203,165**	**$ 28,785**	**$ 1,2**

The changes in carrying amount of goodwill at the Company's education division were as follows:

(in thousands)	**Higher Education**	**Test Preparation**	**Kaplan International**	**Total**
Balance as of December 31, 2012				
Goodwill	$ 409,184	$ 152,187	$ 535,687	$ 1,0
Accumulated impairment losses	—	(102,259)	—	(10
	409,184	49,928	535,687	9
Foreign currency exchange rate changes	**(79)**	**—**	**(18,676)**	**(1**
Balance as of September 30, 2013				
Goodwill	**409,105**	**152,187**	**517,011**	**1,0**
Accumulated impairment losses	**—**	**(102,259)**	**—**	**(10**
	$ 409,105	**$ 49,928**	**$ 517,011**	**$ 9**

Other intangible assets consist of the following:

		As of September 30, 2013			As of December 31, 2012		
(in thousands)	**Useful Life Range**	**Gross Carrying Amount**	**Accumulated Amortization**	**Net Carrying Amount**	Gross Carrying Amount	Accumulated Amortization	Ne Carry Amo
Amortized Intangible Assets							
Non-compete agreements	**2-5 years**	**$ 14,054**	**$ 13,038**	**$ 1,016**	$ 14,008	$ 12,546	$
Student and customer relationships	**2-10 years**	**70,918**	**42,141**	**28,777**	73,693	40,787	
Databases and technology	**3-5 years**	**10,539**	**6,457**	**4,082**	6,457	5,707	
Trade names and trademarks	**2-10 years**	**26,100**	**19,124**	**6,976**	26,634	18,185	
Other	**1-25 years**	**9,828**	**7,137**	**2,691**	8,849	6,839	
		$ 131,439	**$ 87,897**	**$ 43,542**	$ 129,641	$ 84,064	$
Indefinite-Lived Intangible Assets							
Franchise agreements		**$ 496,321**			$ 496,321		
Wireless licenses		**22,150**			22,150		
Licensure and accreditation		**7,371**			7,371		
Other		**15,636**			13,886		
		$ 541,478			$ 539,728		

6. DEBT

The Company’s borrowings consist of the following:

(in thousands)	As of September 30, 2013	As of December 3 2012
7.25% unsecured notes due February 1, 2019	**$ 397,790**	$ 39
USD Revolving credit borrowing	**—**	24
AUD Revolving credit borrowing	**46,589**	5
Other indebtedness	**6,710**	
Total Debt	**451,089**	69
Less: current portion	**(3,022)**	(24
Total Long-Term Debt	**$ 448,067**	$ 45

The Company’s other indebtedness at September 30, 2013 and December 31, 2012 is at interest rates from 0% to 6% and matures from 2013 to 2017

During the three months ended September 30, 2013 and 2012, the Company had average borrowings outstanding of approximately $449.8 million and $456.3 million, respectively, at average annual interest rates of approximately 7.0%. During the three months ended September 30, 2013 and 2012, th Company incurred net interest expense of $8.6 million and $8.1 million, respectively.

During the nine months ended September 30, 2013 and 2012, the Company had average borrowings outstanding of approximately $477.5 million and $467.3 million, respectively, at average annual interest rates of approximately 7.0%. During the nine months ended September 30, 2013 and 2012, the Company incurred net interest expense of $25.6 million and $24.4 million, respectively.

At September 30, 2013, the fair value of the Company’s 7.25% unsecured notes, based on quoted market prices, totaled $475.1 million, compared wit carrying amount of $397.8 million. At December 31, 2012, the fair value of the Company’s 7.25% unsecured notes, based on quoted market prices, tot $481.4 million, compared with the carrying amount of $397.5 million. The carrying value of the Company’s other unsecured debt at September 30, 201 approximates fair value.

7. 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
As of September 30, 2013			
Assets			
Money market investments (1)	**$ —**	**$ 296,914**	**$ 29**
Marketable equity securities (3)	**457,969**	**—**	**45**
Other current investments (4)	**16,413**	**23,281**	**3**
Total Financial Assets	**$ 474,382**	**$ 320,195**	**$ 79**
Liabilities			
Deferred compensation plan liabilities (5)	**$ —**	**$ 63,685**	**$ 6**
7.25% unsecured notes (6)	**—**	**475,144**	**47**
AUD revolving credit borrowing (6)	**—**	**46,589**	**4**
Interest rate swap (7)	**—**	**1,308**	
Total Financial Liabilities	**$ —**	**$ 586,726**	**$ 58**
As of December 31, 2012			
Assets			
Money market investments (2)	$ —	$ 432,670	$ 43
Marketable equity securities (3)	380,087	—	38
Other current investments (4)	14,134	24,717	3
Total Financial Assets	$ 394,221	$ 457,387	$ 85
Liabilities			
Deferred compensation plan liabilities (5)	$ —	$ 62,297	$ 6
7.25% unsecured notes (6)	—	481,424	48
AUD revolving credit borrowing (6)	—	51,915	5
Interest rate swap (7)	—	1,567	
Total Financial Liabilities	$ —	$ 597,203	$ 59

(1) The Company's money market investments are included in cash and cash equivalents.
(2) The Company's money market investments 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) 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.
(6) See Note 6 for carrying amount of these notes and borrowing.
(7) Included in Other liabilities. The Company utilized a market approach model using the notional amount of the interest rate swap multiplied by the observable inputs of time to maturity and marke 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.

8. EARNINGS PER SHARE

The Company's earnings per share from continuing operations (basic and diluted) are presented below:

(in thousands, except per share amounts)	Three Months Ended September 30, 2013	Three Months Ended September 30, 2012	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012
Income from continuing operations attributable to The Washington Post Company common stockholders	**$ 56,016**	$ 56,257	**$ 134,253**	$ 1:
Less: Amount attributable to participating securities	**(1,444)**	(1,117)	**(3,462)**	(
Basic income from continuing operations attributable to The Washington Post Company common stockholders	**$ 54,572**	$ 55,140	**$ 130,791**	$ 1:
Plus: Amount attributable to participating securities	**1,444**	1,117	**3,462**	
Diluted income from continuing operations attributable to The Washington Post Company common stockholders	**$ 56,016**	$ 56,257	**$ 134,253**	$ 1:
Basic weighted average shares outstanding	**7,231**	7,272	**7,229**	
Plus: Effect of dilutive shares				
Stock options	**15**	—	**8**	
Restricted stock	**91**	104	**79**	
Diluted weighted average shares outstanding	**7,337**	7,376	**7,316**	
Income Per Share from Continuing Operations Attributable to The Washington Post Company Common Stockholders:				
Basic	**$ 7.55**	$ 7.58	**$ 18.09**	$
Diluted	**$ 7.53**	$ 7.58	**$ 18.07**	$

For the three and nine months ended September 30, 2013 and 2012, the basic earnings per share computed under the two-class method is lower thar diluted earnings per share computed under the treasury stock method for participating securities, resulting in the presentation of the lower amount in d earnings per share. The diluted earnings per share amounts for the three and nine months ended September 30, 2013 exclude the effects of 13,000 a 63,000 stock options outstanding, respectively, as their inclusion would have been antidilutive. The diluted earnings per share amounts for the three ar nine months ended September 30, 2013 exclude the effects of 8,800 restricted stock awards, as their inclusion would have been antidilutive. The dilut earnings per share amounts for the three and nine months ended September 30, 2012 exclude the effects of 123,494 and 111,994 stock options outstanding, respectively, as their inclusion would have been antidilutive. The diluted earnings per share amounts for the three and nine months endec September 30, 2012 exclude the effects of 51,500 restricted stock awards, as their inclusion would have been antidilutive.

In the three and nine months ended September 30, 2012, the Company declared regular dividends totaling $2.45 and $9.80 per share, respectively. In December 2012, the Company declared and paid an accelerated cash dividend totaling $9.80 per share, in lieu of regular quarterly dividends that the Company otherwise would have declared and paid in calendar year 2013.

9. PENSION AND POSTRETIREMENT PLANS

Defined Benefit Plans. The total cost arising from the Company's defined benefit pension plans, including a portion included in discontinued operatio consists of the following components:

(in thousands)	Three Months Ended September 30, 2013	Three Months Ended September 30, 2012	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012
Service cost	**$ 12,713**	$ 10,876	**$ 38,788**	$
Interest cost	**14,242**	14,828	**42,776**	
Expected return on assets	**(26,817)**	(23,779)	**(78,606)**	(7
Amortization of prior service cost	**908**	919	**2,726**	
Recognized actuarial loss	**1,797**	2,502	**5,741**	
Net Periodic Cost	**2,843**	5,346	**11,425**	
Early retirement programs expense	**—**	7,486	**22,700**	
Total Cost	**$ 2,843**	$ 12,832	**$ 34,125**	$

The total cost above includes $5.6 million and $42.2 million in costs associated with the Publishing Subsidiaries that are included in discontinued oper for the three and nine months ended September 30, 2013, respectively. For the three and nine months ended September 30, 2012, the costs associat with the Publishing Subsidiaries were $13.9 million and $26.3 million, respectively.

The Company announced a Voluntary Retirement Incentive Program in February 2013, which was offered to certain employees of the Washington Pos newspaper. The total early retirement program expense for this program for the nine months ended September 30, 2013 was $20.4 million. Of this am $12.0 million was recorded in the first quarter of 2013 and $8.4 million was recorded in the second quarter of 2013. In addition, the Washington Post newspaper recorded $2.3 million in special separation benefits for a group of employees in the first quarter of 2013. The early retirement program exp and special separation benefits for these programs are being funded from the assets of the Company's pension plan and are included in discontinued operations, net of tax, in 2013.

In the third quarter of 2012, the Company offered a Voluntary Retirement Incentive Program to certain employees of The Washington Post newspaper recorded early retirement program expense of $7.5 million. In the first quarter of 2012, the Company offered a Voluntary Retirement Incentive Program certain employees of Post-Newsweek Media and recorded early retirement program expense of $1.0 million. The early retirement program expense fo these programs was funded from the assets of the Company's pension plan and are included in discontinued operations, net of tax, in 2012.

The total cost arising from the Company's Supplemental Executive Retirement Plan (SERP), including a portion included in discontinued operations, consists of the following components:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	**2013**	2012	**2013**	2012
Service cost	**$ 429**	$ 367	**$ 1,288**	$
Interest cost	**1,023**	1,060	**3,069**	
Amortization of prior service cost	**14**	14	**41**	
Recognized actuarial loss	**711**	458	**2,133**	
Total Cost	**$ 2,177**	$ 1,899	**$ 6,531**	$

The total cost above includes $0.2 million and $0.6 million in costs associated with the Publishing Subsidiaries that are included in discontinued operat for the three and nine months ended September 30, 2013, respectively. For the three and nine months ended September 30, 2012, the costs associat with the Publishing Subsidiaries were $0.2 million and $0.5 million, respectively.

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. The assets of the Company's pension plan were allocated as follows:

	As of	
	September 30, 2013	December 3 2012
U.S. equities	**60 %**	
U.S. fixed income	**12 %**	
International equities	**28 %**	
	100 %	

Essentially all of the assets are actively managed by two investment companies. The goal of the investment managers is to produce moderate long-te 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 invest 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 September 30, 2013, the managers can invest no more than 24% of the assets in international stocks at the time the investment is made, and no less 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 t 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 September 30, 2013. Types of concentrations that were evaluated include, but are not limited to, investment concentrations single entity, type of industry, foreign country and individual fund. At September 30, 2013 and December 31, 2012, the pension plan held common stoc one investment that exceeded 10% of total plan assets. This investment was valued at $389.3 million and $223.1 million at September 30, 2013 and December 31, 20 respectively, or approximately 16% and 11%, respectively, of total plan assets. Assets also included $228.6 million and $179.9 million of Berkshire Hathaway common stock at September 30, 2013 and December 31, 2012, respectively. At September 30, 2013 and December 31, 2012, the pension held investments in one foreign country that exceeded 10% of total plan assets. These investments were valued at $406.4 million and $240.4 million a September 30, 2013 and December 31, 2012, respectively, or approximately 16% and 12%, respectively, of total plan assets.

Other Postretirement Plans. The total benefit arising from the Company's other postretirement plans, including a portion included in discontinued operations, consists of the following components:

(in thousands)	Three Months Ended September 30, 2013	Three Months Ended September 30, 2012	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012
Service cost	**$ 728**	$ 778	**$ 2,183**	$
Interest cost	**508**	684	**1,525**	
Amortization of prior service credit	**(1,306)**	(1,402)	**(3,972)**	(
Recognized actuarial gain	**(504)**	(370)	**(1,549)**	(
Net Periodic Benefit	**(574)**	(310)	**(1,813)**	
Settlement gain	**—**	—	**(3,471)**	
Total Periodic Benefit	**$ (574)**	$ (310)	**$ (5,284)**	$

The total benefit above includes $1.5 million and $2.8 million in benefits associated with the Publishing Subsidiaries that are included in discontinued operations for the three and nine months ended September 30, 2013, respectively. For the three and nine months ended September 30, 2012, the ber associated with the Publishing Subsidiaries was $0.6 million and $1.8 million, respectively.

As part of the sale of The Herald, changes were made with respect to its postretirement medical plan, resulting in a $3.5 million settlement gain that is included in discontinued operations, net of tax, for the first quarter of 2013.

Disposition of Publishing Business. In connection with the October 1, 2013 sale of the Publishing Business, the liabilities under the Retirement Pla The Washington Post Companies relating to the active employees of the Publishing Business will be transferred to the Purchaser, along with pension a that have a value equal to the projected benefit obligation in respect of these active employees plus an additional $50 million. In the fourth quarter of 2 the Company will recognize net curtailment and settlement gains (losses) related to this transfer as well as a remeasurement of each of the Company' pension and postretirement benefit plans. Additionally, the Company excluded the historical pension and postretirement benefits expense for retirees the reclassification of the Publishing Subsidiaries' results to discontinued operations, since the associated assets and liabilities will be retained by the Company.

10. OTHER NON-OPERATING INCOME (EXPENSE)

A summary of non-operating income (expense) is as follows:

(in thousands)	Three Months Ended September 30, 2013	Three Months Ended September 30, 2012	Nine Months Ended September 30, 2013	Nine Months Ended Septembe 2012
Foreign currency gain (loss), net	**$ 7,886**	$ 3,111	**$ (9,350)**	$
(Loss) gain on sales of marketable equity securities	**—**	(28)	**879**	
Gain (loss) on sales or write-downs of cost method investments, net	**18**	(112)	**(160)**	
Other, net	**206**	1,192	**(200)**	
Total Other Non-Operating Income (Expense)	**$ 8,110**	$ 4,163	**$ (8,831)**	$

11. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The other comprehensive income (loss) consists of the following components:

	Three Months Ended September 30,					
	2013			2012		
(in thousands)	**Before-Tax Amount**	**Income Tax**	**After-Tax Amount**	Before-Tax Amount	Income Tax	Afte Am
Foreign currency translation adjustments:						
Translation adjustments arising during the period	**$ 5,639**	**$ —**	**$ 5,639**	$ 5,321	$ —	$
Adjustment for sales of businesses with foreign operations	**—**	**—**	**—**	(1,409)	—	(
	5,639	**—**	**5,639**	3,912	—	
Unrealized gains (losses) on available-for-sale securities:						
Unrealized gains (losses) for the period	**938**	**(375)**	**563**	(5,966)	2,387	(
	938	**(375)**	**563**	(5,966)	2,387	(
Pension and other postretirement plans:						
Amortization of net prior service credit included in net income	**(384)**	**154**	**(230)**	(469)	187	
Amortization of net actuarial loss included in net income	**2,004**	**(801)**	**1,203**	2,592	(1,036)	
	1,620	**(647)**	**973**	2,123	(849)	
Cash flow hedge:						
Gain for the period	**15**	**(6)**	**9**	217	(87)	
Other Comprehensive Income	**$ 8,212**	**$ (1,028)**	**$ 7,184**	$ 286	$ 1,451	$

	Nine Months Ended September 30,					
	2013			2012		
(in thousands)	**Before-Tax Amount**	**Income Tax**	**After-Tax Amount**	Before-Tax Amount	Income Tax	Afte Am
Foreign currency translation adjustments:						
Translation adjustments arising during the period	**$ (2,061)**	**$ —**	**$ (2,061)**	$ 4,233	$ —	$
Adjustment for sales of businesses with foreign operations	**—**	**—**	**—**	(888)	—	
	(2,061)	**—**	**(2,061)**	3,345	—	
Unrealized gains on available-for-sale securities:						
Unrealized gains for the period	**81,439**	**(32,575)**	**48,864**	32,939	(13,175)	
Reclassification adjustment for gain on available-for-sale securities included in net income	**(884)**	**353**	**(531)**	(772)	309	
	80,555	**(32,222)**	**48,333**	32,167	(12,866)	
Pension and other postretirement plans:						
Amortization of net prior service credit included in net income	**(1,205)**	**482**	**(723)**	(1,390)	556	
Amortization of net actuarial loss included in net income	**6,325**	**(2,529)**	**3,796**	6,839	(2,735)	
Settlement gain included in net income	**(3,471)**	**1,388**	**(2,083)**	—	—	
	1,649	**(659)**	**990**	5,449	(2,179)	
Cash flow hedge:						
Gain (loss) for the period	**259**	**(104)**	**155**	(1,160)	465	
Other Comprehensive Income	**$ 80,402**	**$ (32,985)**	**$ 47,417**	$ 39,801	$ (14,580)	$

The accumulated balances related to each component of other comprehensive income (loss) are as follows:

(in thousands, net of taxes)	**Cumulative Foreign Currency Translation Adjustment**	**Unrealized Gain on Available-for-Sale Securities**	**Unrealized Gain on Pensions and Other Postretirement Plans**	**Cash Flow Hedge**	**Accumula Other Comprehen Income**
Balance as of December 31, 2012	$ 26,072	$ 110,553	$ 117,169	$ (940)	$ 2
Other comprehensive income (loss) before reclassifications	**(2,061)**	**48,864**	**—**	**(198)**	
Net amount reclassified from accumulated other comprehensive income	**—**	**(531)**	**990**	**353**	
Net other comprehensive income (loss)	**(2,061)**	**48,333**	**990**	**155**	
Balance as of September 30, 2013	**$ 24,011**	**$ 158,886**	**$ 118,159**	**$ (785)**	**$ 3**

The amounts and line items of reclassifications out of Accumulated Other Comprehensive Income are as follows:

	Amount Reclassified from Accumulated Other Comprehensive Income				
	Three Months Ended September 30,		Nine Months Ended September 30,		Affected Line Item in the Condensed Consolidated Statement of Operations
(in thousands)	**2013**	2012	**2013**	2012	
Foreign Currency Translation Adjustments:					
Adjustment for sales of businesses with foreign operations	**$ —**	$ (1,409)	**$ —**	$ (888)	(Loss) Income from Discontinued Operations, Net of Tax
Unrealized Gains on Available-for-sale Securities:					
Realized gains for the period	**—**	—	**(884)**	(772)	Other income (expense), net
	—	—	**353**	309	Provision for Income Taxes
	—	—	**(531)**	(463)	Net of Tax
Pension and Other Postretirement Plans:					
Amortization of net prior service credit	**(384)**	(469)	**(1,205)**	(1,390)	(1)
Amortization of net actuarial loss	**2,004**	2,592	**6,325**	6,839	(1)
Settlement gain	**—**	—	**(3,471)**	—	(1)
	1,620	2,123	**1,649**	5,449	Before tax
	(647)	(849)	**(659)**	(2,179)	Provision for Income Taxes
	973	1,274	**990**	3,270	Net of Tax
Cash Flow Hedge					
	205	132	**588**	167	Interest expense
	(82)	(53)	**(235)**	(67)	Provision for Income Taxes
	123	79	**353**	100	Net of Tax
Total reclassification for the period	**$ 1,096**	$ (56)	**$ 812**	$ 2,019	Net of Tax

(1) These accumulated other comprehensive income components are included in the computation of net periodic pension and postretirement plan cost (see Note 9).

12. CONTINGENCIES

Litigation and Legal Matters. The Company and its subsidiaries are involved in various legal proceedings that arise in the ordinary course of its busi Although the outcomes of the legal claims and proceedings against the Company cannot be predicted with certainty, based on currently available information, management believes 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 operations or cash flows. Also, based on currently available information, management is of the opinion that the exposure future material losses from existing legal proceedings is not reasonably possible, or that future material losses in excess of the amounts accrued are n reasonably possible.

DOE Program Reviews. The U.S. Department of Education (DOE) undertakes program reviews at Title IV participating institutions. Currently, there a four open and/or pending program reviews (including Kaplan University and Broomall, PA.) The Company is awaiting the DOE's final report on the pro review at KHE's Broomall, PA, location. In May 2012, the DOE issued a preliminary report on its 2009 onsite program review at Kaplan University cont several findings that required Kaplan University to conduct additional, detailed file reviews and submit additional data. In January 2013, Kaplan submit response to the DOE's data request and is awaiting a final report on this review. The Company does not expect the final program review reports to hav material impact on KHE; however, the results of these and the other open reviews and their impact on Kaplan's operations are uncertain.

The 90/10 Rule. Under regulations referred to as the 90/10 rule, a KHE OPEID unit would lose its eligibility to participate in Title IV programs for a per at least two fiscal years if it derives more than 90% of its receipts from Title IV programs, as calculated on a cash basis in accordance with the Higher Education Act and applicable DOE regulations, in each of two consecutive fiscal years, commencing with the unit's first fiscal year that ends after Augu 2008. Any OPEID unit with Title IV receipts exceeding 90% for a single fiscal year ending after August 14, 2008, will be placed on provisional certificati and may be subject to other enforcement measures. KHE is taking various measures to reduce the percentage of its receipts attributable to Title IV fur including modifying student payment options; emphasizing direct-pay and employer-paid education programs; encouraging students to carefully evalu the amount of their Title IV borrowing; eliminating some programs; cash-matching; and developing and offering additional non-Title IV-eligible certificat preparation, professional development and continuing education programs. Some of the other programs may currently be offered by other Kaplan businesses. Based on currently available information, management does not believe that any of the Kaplan OPEID units will have a 90/10 ratio over 9 2013. Kaplan continues taking steps to address compliance with the 90/10 rule; however, there can be no guarantee that these measures will be adeq to prevent the 90/10 rule calculations at some or all of the schools from exceeding 90% in the future.

Accreditation. In March 2011, Kaplan University's institutional accreditor, the Higher Learning Commission of the North Central Association of Colleg and Schools (HLC), sent a request to Kaplan University asking for documents and a report detailing Kaplan University's admissions practices and des Kaplan University's compliance with HLC Care Components and policies. Kaplan University complied with this request on April 29, 2011. Kaplan Unive provided additional information to the HLC in response to a follow-up request received on January 19, 2012. On June 19, 2013, the HLC notified Kapla University of their intention to conduct a focused evaluation regarding these matters and that is expected to take place in early 2014. At this time the Company cannot predict how the HLC will follow-up or what impact their additional inquires may have on Kaplan University.

13. BUSINESS SEGMENTS

The Company has six reportable segments: Kaplan Higher Education, Kaplan Test Preparation, Kaplan International, cable television, television broadcasting and other businesses.

Education. Kaplan's Colloquy business moved from Kaplan International to Kaplan Corporate effective January 1, 2013. Segment operating results o education division have been restated to reflect this change.

For the first nine months of 2012, Kaplan International results benefitted from a favorable $3.9 million out of period expense adjustment related to cert items recorded in 2011 and 2010. With respect to this out of period expense adjustment, the Company has concluded that it was not material to the Company's financial position or results of operations for 2012, 2011 and 2010 and the related interim periods, based on its consideration of quantitativ qualitative factors.

Newspaper Publishing. Due to the sale of the Publishing Subsidiaries on October 1, 2013, the newspaper publishing segment is no longer included separate segment as its results have been reclassified to discontinued operations, net of tax, for all periods presented In March 2013, the Company completed the sale of The Herald, a daily and Sunday newspaper headquartered in Everett, WA. As a result, The Herald results are included in discon operations, net of tax, for all periods presented.

Other Businesses. The Slate Group and the FP Group have been moved to Other Businesses since the newspaper publishing segment is no longer separate segment. The results for these entities are included in Other Businesses for all periods presented. In August 2013, the Company acquired Fo a global supplier of products and systems that control and monitor combustion processes in electric utility and industrial applications, which is also incl in Other Businesses.

The following table summarizes the 2013 quarterly financial information related to each of the Company's business segments:

(in thousands)		March 31, 2013		June 30, 2013		**September 2013**
Operating Revenues						
Education	$	527,815	$	548,230	**$**	[illegible]
Cable television		200,138		204,550		[illegible]
Television broadcasting		85,270		99,320		[illegible]
Other businesses		23,814		37,572		[illegible]
Corporate office		—		—		
Intersegment elimination		(197)		(76)		
	$	836,840	$	889,596	**$**	[illegible]
Income (Loss) From Operations						
Education	$	(4,056)	$	23,726	**$**	[illegible]
Cable television		36,613		44,710		[illegible]
Television broadcasting		35,362		47,704		[illegible]
Other businesses		(8,542)		(5,968)		[illegible]
Corporate office		(5,979)		(5,402)		[illegible]
	$	53,398	$	104,770	**$**	[illegible]
Equity in Earnings of Affiliates, Net		3,418		3,868		
Interest Expense, Net		(8,450)		(8,526)		[illegible]
Other Income (Expense), Net		(4,083)		(12,858)		
Income from Continuing Operations Before Income Taxes	$	44,283	$	87,254	**$**	[illegible]
Depreciation of Property, Plant and Equipment						
Education	$	22,588	$	20,064	**$**	[illegible]
Cable television		33,733		33,964		[illegible]
Television broadcasting		3,145		3,151		
Other businesses		429		577		
Corporate office		—		60		
	$	59,895	$	57,816	**$**	[illegible]
Amortization of Intangible Assets						
Education	$	2,518	$	2,363	**$**	
Cable television		50		57		
Television broadcasting		—		—		
Other businesses		1,149		893		
Corporate office		—		—		
	$	3,717	$	3,313	**$**	
Net Pension (Credit) Expense						
Education	$	4,106	$	4,231	**$**	
Cable television		882		913		
Television broadcasting		1,288		1,213		
Other businesses		116		134		
Corporate office		(9,121)		(9,129)		[illegible]
	$	(2,729)	$	(2,638)	**$**	[illegible]

The following table summarizes the 2012 quarterly financial information related to each of the Company's business segments:

(in thousands)	March 31, 2012	June 30, 2012	September 30, 2012	December 2012
Operating Revenues				
Education	$ 546,685	$ 551,774	$ 551,696	$ [illegible]
Cable television	190,210	195,579	199,625	[illegible]
Television broadcasting	81,497	95,591	106,411	[illegible]
Other businesses	9,329	11,666	20,187	[illegible]
Corporate office	—	—	—	
Intersegment elimination	(109)	(180)	(282)	
	$ 827,612	$ 854,430	$ 877,637	$ [illegible]
Income (Loss) From Operations				
Education	$ (11,915)	$ 3,728	$ 14,693	$ [illegible]
Cable television	32,777	38,446	39,913	[illegible]
Television broadcasting	30,999	43,728	54,082	[illegible]
Other businesses	(6,746)	(9,005)	(7,324)	[illegible]
Corporate office	(7,454)	(5,689)	(8,128)	[illegible]
	$ 37,661	$ 71,208	$ 93,236	$ [illegible]
Equity in Earnings of Affiliates, Net	3,888	3,314	4,099	
Interest Expense, Net	(8,094)	(8,204)	(8,090)	[illegible]
Other Income (Expense), Net	8,588	(635)	4,163	[illegible]
Income (Loss) from Continuing Operations Before Income Taxes	$ 42,043	$ 65,683	$ 93,408	$ [illegible]
Depreciation of Property, Plant and Equipment				
Education	$ 20,717	$ 21,011	$ 22,024	$ [illegible]
Cable television	32,197	32,234	32,310	[illegible]
Television broadcasting	3,125	3,222	3,126	
Other businesses	126	127	128	
Corporate office	—	—	—	
	$ 56,165	$ 56,594	$ 57,588	$ [illegible]
Amortization of Intangible Assets and Impairment of Goodwill and Other Long-Lived Assets				
Education	$ 3,236	$ 3,803	$ 4,489	$ [illegible]
Cable television	54	53	52	
Television broadcasting	—	—	—	
Other businesses	549	551	549	
Corporate office	—	—	—	
	$ 3,839	$ 4,407	$ 5,090	$ [illegible]
Net Pension (Credit) Expense				
Education	$ 2,392	$ 1,969	$ 3,522	$
Cable television	530	514	694	
Television broadcasting	960	1,055	1,432	
Other businesses	36	33	45	
Corporate office	(7,393)	(6,939)	(6,827)	[illegible]
	$ (3,475)	$ (3,368)	$ (1,134)	$

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

(in thousands)	Nine Months Ended September 30, 2013	2012	Fiscal Year Ended December 31, 2012	2011
Operating Revenues				
Education	**$ 1,622,497**	$ 1,650,155	$ 2,196,496	$ 2,4
Cable television	**607,069**	585,414	787,117	7
Television broadcasting	**271,653**	283,499	399,691	3
Other businesses	**128,018**	41,182	72,837	[illegible]
Corporate office	**—**	—	—	
Intersegment elimination	**(322)**	(571)	(571)	
	$ 2,628,915	$ 2,559,679	$ 3,455,570	$ 3,5
Income (Loss) from Operations				
Education	**$ 36,705**	$ 6,506	$ (105,368)	$ [illegible]
Cable television	**121,038**	111,136	154,581	1
Television broadcasting	**119,370**	128,809	191,642	1
Other businesses	**(19,556)**	(23,075)	(33,010)	(1
Corporate office	**(17,516)**	(21,271)	(28,665)	(1
	$ 240,041	$ 202,105	$ 179,180	$ 3
Equity in Earnings of Affiliates, Net	**13,178**	11,301	14,086	
Interest Expense, Net	**(25,555)**	(24,388)	(32,551)	(2
Other (Expense) Income, Net	**(8,831)**	12,116	(5,456)	(5
Income from Continuing Operations Before Income Taxes	**$ 218,833**	$ 201,134	$ 155,259	$ 2
Depreciation of Property, Plant and Equipment				
Education	**$ 61,630**	$ 63,752	$ 101,183	$ [illegible]
Cable television	**100,643**	96,741	129,107	1
Television broadcasting	**9,405**	9,473	13,018	[illegible]
Other businesses	**1,561**	381	770	
Corporate office	**105**	—	—	
	$ 173,344	$ 170,347	$ 244,078	$ 2
Amortization of Intangible Assets and Impairment of Goodwill and Other Intangible Assets				
Education	**$ 7,168**	$ 11,528	$ 129,312	$ [illegible]
Cable television	**168**	159	211	
Television broadcasting	**—**	—	—	
Other businesses	**2,531**	1,649	3,016	
Corporate office	**—**	—	—	
	$ 9,867	$ 13,336	$ 132,539	$ [illegible]
Net Pension (Credit) Expense				
Education	**$ 12,506**	$ 7,883	$ 11,584	$
Cable television	**2,768**	1,738	2,540	
Television broadcasting	**3,752**	3,447	4,970	
Other businesses	**423**	114	169	
Corporate office	**(27,549)**	(21,159)	(27,871)	(3
	$ (8,100)	$ (7,977)	$ (8,608)	$ (2

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

(in thousands)	As of September 30, 2013	December 3 2012
Identifiable Assets		
Education	**$ 1,739,301**	$ 1,9
Cable television	**1,189,084**	1,1
Television broadcasting	**371,726**	3
Other businesses	**137,068**	[illegible]
Corporate office	**383,471**	4
	$ 3,820,650	$ 4,1
Investments in Marketable Equity Securities	**457,969**	3
Investments in Affiliates	**32,997**	[illegible]
Prepaid Pension Cost	**529,165**	6
Assets of Discontinued Operations	**255,100**	
Total Assets	**$ 5,095,881**	$ 5,1

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

(in thousands)	Three Months Ended September 30, 2013	Three Months Ended September 30, 2012	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012
Operating Revenues				
Higher education	**$ 266,061**	$ 273,703	**$ 811,013**	$ 8
Test preparation	**77,431**	81,151	**232,064**	2
Kaplan international	**201,305**	194,158	**574,086**	5
Kaplan corporate and other	**2,223**	3,809	**6,496**	
Intersegment elimination	**(568)**	(1,125)	**(1,162)**	(
	$ 546,452	$ 551,696	**$ 1,622,497**	$ 1,6
Income (Loss) from Operations				
Higher education	**$ 14,719**	$ 1,510	**$ 42,354**	$
Test preparation	**3,820**	3,446	**7,306**	(
Kaplan international	**12,020**	20,365	**24,907**	
Kaplan corporate and other	**(13,680)**	(10,852)	**(38,243)**	(4
Intersegment elimination	**156**	224	**381**	
	$ 17,035	$ 14,693	**$ 36,705**	$
Depreciation of Property, Plant and Equipment				
Higher education	**$ 9,739**	$ 12,168	**$ 33,919**	$
Test preparation	**5,034**	5,544	**14,658**	
Kaplan international	**3,903**	3,841	**12,015**	
Kaplan corporate and other	**302**	471	**1,038**	
	$ 18,978	$ 22,024	**$ 61,630**	$
Amortization of Intangible Assets	**$ 2,287**	$ 4,489	**$ 7,168**	$
Pension Expense				
Higher education	**$ 3,201**	$ 2,234	**$ 8,815**	$
Test preparation	**731**	554	**2,012**	
Kaplan international	**99**	112	**273**	
Kaplan corporate and other	**138**	622	**1,406**	
	$ 4,169	$ 3,522	**$ 12,506**	$

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

(in thousands)	As of September 30, 2013	As of December 3 2012
Identifiable assets		
Higher education	**$ 643,342**	$ 9
Test preparation	**182,450**	1
Kaplan international	**878,123**	8
Kaplan corporate and other	**35,386**	
	$ 1,739,301	$ 1,9

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 income from continuing operations attributable to common shares of $56.0 million ($7.53 per share) for the third quarter of 201 compared to $56.3 million ($7.58 per share) for the third quarter of 2012. Net income attributable to common shares was $30.1 million ($4.05 per shar the third quarter ended September 30, 2013, compared to $93.8 million ($12.64 per share) for the third quarter of last year. Net income includes $25.9 million ($3.48 per share) in losses and $37.5 million ($5.06 per share) in income from discontinued operations for the third quarter of 2013 and 2012, respectively.

On October 1, 2013, the Company completed the sale of most of its newspaper publishing businesses, including The Washington Post. Consequently, Company's income from continuing operations for the third quarter and year-to-date periods excludes these sold businesses, which have been reclass to discontinued operations for all periods presented.

Items included in the Company's income from continuing operations for the third quarter of 2013:

- § $4.0 million in severance and restructuring charges at the education division (after-tax impact of $3.1 million, or $0.42 per share); and
- § $7.9 million in non-operating unrealized foreign currency gains (after-tax impact of $5.0 million, or $0.69 per share).

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

- § $4.3 million in severance and restructuring charges at the education division (after-tax impact of $2.7 million, or $0.37 per share); and
- § $3.1 million in non-operating unrealized foreign currency gains (after-tax impact of $1.9 million, or $0.26 per share).

Revenue for the third quarter of 2013 was $902.5 million, up 3% from $877.6 million in the third quarter of 2012. The Company reported operating inco $81.9 million in the third quarter of 2013, compared to operating income of $93.2 million in the third quarter of 2012. Revenues increased at the cable television division and in other businesses, offset by declines at the television broadcasting and education divisions. Operating results declined at the television broadcasting division and declined very slightly at the cable television division, offset by improved results at the education division.

For the first nine months of 2013, the Company reported income from continuing operations attributable to common shares of $134.3 million ($18.07 p share), compared to $122.1 million ($16.17 per share) for the first nine months of 2012. Net income attributable to common shares was $79.5 million ($10.70 per share) for the first nine months of 2013, compared to $176.7 million ($23.39 per share) for the same period of 2012. Net income includes $ million ($7.37 per share) in losses and $54.5 million ($7.22 per share) in income from discontinued operations for the first nine months of 2013 and 20 respectively (refer to "Discontinued Operations" discussion below). As a result of the Company's share repurchases, there were 3% fewer diluted aver shares outstanding in the first nine months of 2013.

Items included in the Company's income from continuing operations for the first nine months of 2013:

- § $18.3 million in severance and restructuring charges at the education division (after-tax impact of $13.1 million, or $1.79 per share); and
- § $9.4 million in non-operating unrealized foreign currency losses (after-tax impact of $6.0 million, or $0.83 per share).

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

- § $9.3 million in severance and restructuring charges at the education division (after-tax impact of $5.8 million, or $0.78 per share);
- § a $5.8 million gain on the sale of a cost method investment (after-tax impact of $3.7 million, or $0.48 per share); and
- § $3.2 million in non-operating unrealized foreign currency gains (after-tax impact of $2.0 million, or $0.27 per share).

Revenue for the first nine months of 2013 was $2,628.9 million, up 3% from $2,559.7 million in the first nine months of 2012. Revenues increased at th cable television division and in other businesses, offset by declines at the television broadcasting and education divisions. The Company reported ope income of $240.0 million for the first nine months of 2013, compared to $202.1 million for the first nine months of 2012. Operating results improved at t education and cable television divisions, offset by a decline at the television broadcasting division.

Division Results

Education

Education division revenue totaled $546.5 million for the third quarter of 2013, a 1% decline from revenue of $551.7 million for the third quarter of 2012 Kaplan reported third quarter 2013 operating income of $17.0 million, compared to $14.7 million in the third quarter of 2012.

For the first nine months of 2013, education division revenue totaled $1,622.5 million, a 2% decline from revenue of $1,650.2 million for the same peri 2012. Kaplan reported operating income of $36.7 million for the first nine months of 2013, compared to operating income of $6.5 million for the first nin months of 2012.

In response to student demand levels, Kaplan has formulated and implemented restructuring plans at its various businesses, with the objective of establishing lower cost levels in future periods. Across all businesses, restructuring costs totaled $4.0 million and $18.3 million in the third quarter and nine months of 2013, respectively, compared to $4.3 million and $9.3 million in the third quarter and first nine months of 2012, respectively. In conjunct with completing these restructuring plans at Kaplan Higher Education (KHE) and Kaplan International, Kaplan currently plans to incur approximately $ million in additional restructuring costs for the remainder of 2013. Kaplan may also incur additional restructuring charges in 2013 as Kaplan managem continues to evaluate its cost structure.

A summary of Kaplan's operating results for the third quarter and the first nine months of 2013 compared to 2012 is as follows:

(in thousands)	Three Months Ended September 30, 2013	Three Months Ended September 30, 2012	% Change	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012	% Ch
Revenue						
Higher education	**$ 266,061**	$ 273,703	(3)	**$ 811,013**	$ 872,948	(7
Test preparation	**77,431**	81,151	(5)	**232,064**	223,767	
Kaplan international	**201,305**	194,158	4	**574,086**	546,862	
Kaplan corporate and other	**2,223**	3,809	(42)	**6,496**	10,283	(37
Intersegment elimination	**(568)**	(1,125)	—	**(1,162)**	(3,705)	–
	$ 546,452	$ 551,696	(1)	**$ 1,622,497**	$ 1,650,155	(2
Operating Income (Loss)						
Higher education	**$ 14,719**	$ 1,510	—	**$ 42,354**	$ 16,329	–
Test preparation	**3,820**	3,446	11	**7,306**	(4,067)	–
Kaplan international	**12,020**	20,365	(41)	**24,907**	34,293	(27
Kaplan corporate and other	**(13,680)**	(10,852)	(26)	**(38,243)**	(40,628)	
Intersegment elimination	**156**	224	—	**381**	579	–
	$ 17,035	$ 14,693	16	**$ 36,705**	$ 6,506	–

KHE includes Kaplan's domestic postsecondary education businesses, made up of fixed-facility colleges and online postsecondary and career progra KHE also includes the domestic professional training and other continuing education businesses.

In 2012, KHE began implementing plans to close or merge 13 ground campuses, consolidate other facilities and reduce its workforce. In connection w these and other plans, KHE incurred $2.5 million and $14.1 million in total restructuring costs in the third quarter and first nine months of 2013, respec compared to $2.7 million and $6.5 million in severance and restructuring costs for the third quarter and first nine months of 2012, respectively. For the quarter of 2013, these costs included accelerated depreciation ($0.8 million), severance ($1.6 million) and lease obligation losses ($0.1 million). For th nine months of 2013, these costs included accelerated depreciation ($5.8 million), severance ($3.0 million), lease obligation losses ($4.4 million) and items ($0.9 million). In the first nine months of 2013, ten KHE campuses were closed. For the third quarter and first nine months of 2012, restructuring were mostly severance, but also included $0.6 million in accelerated depreciation.

In the third quarter and first nine months of 2013, higher education revenue declined 3% and 7%, respectively, due largely to declines in average enrollments that reflect weaker market demand over the past year and the impact of campuses in the process of closing.

KHE operating income increased significantly in the third quarter and first nine months of 2013, due largely to expense reductions associated with lowe enrollments and recent restructuring efforts.

New student enrollments at KHE declined 7% and 1% in the third quarter and first nine months of 2013, respectively. New student enrollments were d due to the impact of closed campuses and those planned for closure that are no longer recruiting students, offset by the positive impact of trial period modifications and process improvements.

Total students at September 30, 2013, were down 11% compared to September 30, 2012, but increased 5% compared to June 30, 2013. Excluding campuses closed or planned for closure, total students at September 30, 2013, were down 7% compared to September 30, 2012, but up 5% compare June 30, 2013. A summary of student enrollments is as follows:

	Students as of		
	September 30, 2013	June 30, 2013	Septembe 2012
Kaplan University	**46,340**	43,601	[illegible]
Other Campuses	**18,818**	18,591	[illegible]
	65,158	62,192	[illegible]

	Students as of		
(excluding campuses closing)	**September 30, 2013**	June 30, 2013	Septembe 2012
Kaplan University	**46,340**	43,601	[illegible]
Other Campuses	**18,619**	18,181	[illegible]
	64,959	61,782	[illegible]

Kaplan University and Other Campuses' enrollments at September 30, 2013 and 2012, by degree and certificate programs, are as follows:

	As of September 30,	
	2013	2012
Certificate	**21.3 %**	2
Associate's	**30.8 %**	3
Bachelor's	**32.6 %**	3
Master's	**15.3 %**	1
	100.0 %	10

Kaplan Test Preparation (KTP) includes Kaplan's standardized test preparation programs. KTP revenue declined 5% for the third quarter of 2013, but increased 4% for the first nine months of 2013. Enrollment declined 8% and 2% for the third quarter and first nine months of 2013, respectively, due to declines in graduate programs, offset by growth in nursing and bar review programs. KTP operating results improved in the first nine months of 2013 d largely to increased revenues.

Kaplan International includes English-language programs and postsecondary education and professional training businesses outside the United State Kaplan International revenue increased 4% and 5% in the third quarter and first nine months of 2013, respectively, due to enrollment growth in the pathways, English-language and Singapore higher education programs. Kaplan International operating income declined in the third quarter of 2013 du reduced earnings in professional training, and increased investment to support growth in English-language and Singapore higher education programs. the first nine months of 2013, operating income declined due to reduced earnings in professional training, and increased investment to support growth English-language programs, offset by better results in Singapore. The results in Australia included restructuring costs of $1.5 million and $4.1 million f third quarter and first nine months of 2013, respectively, compared to $1.0 million in the third quarter and first nine months of 2012. In the third quarter first nine months of 2012, respectively, Kaplan International results benefited from a $2.0 million and $3.9 million favorable adjustment to certain items recorded in prior periods.

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

Cable Television

Cable television division revenue increased 1% in the third quarter of 2013 to $202.4 million, from $199.6 million for the third quarter of 2012; for the fi nine months of 2013, revenue increased 4% to $607.1 million, from $585.4 million in the same period of 2012. The revenue increase for the first nine months of 2013 is due to recent rate increases for many subscribers, growth in commercial sales and a reduction in promotional discounts. The increa was partially offset by a decline in basic video subscribers, as the cable division focuses its efforts on churn reduction and retention of its high-value subscribers.

Cable television division operating income declined slightly in the third quarter of 2013 to $39.7 million, from $39.9 million in the third quarter of 2012; f first nine months of 2013, operating income increased 9% to $121.0 million, from $111.1 million for the first nine months of 2012. The division's operati income improved in the first nine months of 2013 due to increased revenues, partially offset by higher programming and depreciation costs.

At September 30, 2013, Primary Service Units (PSUs) were down 3% from the prior year due to a decline in basic video subscribers. PSUs include ab 6,400 subscribers who receive free basic cable service, primarily local governments, schools and other organizations as required by various franchise agreements. A summary of PSUs is as follows:

	As of September 30,	
	2013	2012
Basic video	**561,119**	6
High-speed data	**469,296**	4
Telephony	**182,643**	1
	1,213,058	1,2

Below are details of Cable division capital expenditures as defined by the NCTA Standard Reporting Categories:

(in thousands)	Nine Months Ended September 30, 2013	2012
Customer Premise Equipment	**$ 26,496**	$ [illegible]
Commercial	**3,613**	
Scaleable Infrastructure	**13,062**	[illegible]
Line Extensions	**4,248**	
Upgrade/Rebuild	**23,014**	[illegible]
Support Capital	**35,494**	[illegible]
	$ 105,927	$ 1[illegible]

Television Broadcasting

Revenue at the television broadcasting division declined 18% to $87.1 million in the third quarter of 2013, from $106.4 million in the same period of 20 operating income for the third quarter of 2013 was down 33% to $36.3 million, from $54.1 million in the same period of 2012. For the first nine months 2013, revenue declined 4% to $271.7 million, from $283.5 million in the same period of 2012; operating income for the first nine months of 2013 was d 7% to $119.4 million, from $128.8 million in the same period of 2012.

The decline in revenue and operating income is due to a $15.9 million and $24.1 million decrease in political advertising revenue in the third quarter ar nine months of 2013, respectively, and $10.8 million in incremental summer Olympics-related advertising at the Company's NBC affiliates in the third c of 2012. The decline in revenue and operating income was partially offset by incremental advertising revenue from the NBA finals broadcast at the divi ABC affiliates in Miami and San Antonio, and increased retransmission revenues.

Other Businesses

Other businesses includes the operating results of Social Code, a marketing solutions provider helping companies with marketing on social media plat Celtic Healthcare, a provider of home health care and hospice services in the northeastern and mid-Atlantic regions, acquired by the Company in Nove 2012; Forney, a global supplier of products and systems that control and monitor combustion processes in electric utility and industrial applications, ac by the Company in August 2013; and WaPo Labs, a digital team focused on emerging technologies and new product development. Also included are t Slate Group and the FP Group, previously included as part of the Company's newspaper publishing division.

The revenue increase in other businesses for the first nine months of 2013 is primarily due to growth at Social Code and Slate, and revenue from the Company's recently acquired Celtic Healthcare and Forney businesses.

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 16.5% interest in Classified Ventures, LLC and interests in several other affiliates.

The Company's equity in earnings of affiliates, net, was $5.9 million for the third quarter of 2013, compared to $4.1 million for the third quarter of 2012. the first nine months of 2013, the Company's equity in earnings of affiliates, net, totaled $13.2 million, compared to $11.3 million for the same period o 2012.

Other Non-Operating Income (Expense)

The Company recorded other non-operating income, net, of $8.1 million for the third quarter of 2013, compared to $4.2 million for the third quarter of 2 The third quarter 2013 non-operating income, net, included $7.9 million in unrealized foreign currency gains and other items. The third quarter 2012 no operating income, net, included $3.1 million in unrealized foreign currency gains and other items.

The Company recorded non-operating expense, net, of $8.8 million for the first nine months of 2013, compared to other non-operating income, net, of million for the same period of the prior year. The 2013 non-operating expense, net, included $9.4 million in unrealized foreign currency losses, offset b other items. The 2012 non-operating income, net, included a net $6.8 million gain on sales or write-downs of cost method investments, $3.2 million in unrealized foreign currency gains and other items.

A summary of non-operating income (expense) is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands)	**2013**	2012	**2013**	2012
Foreign currency gain (loss), net	**$ 7,886**	$ 3,111	**$ (9,350)**	$
(Loss) gain on sales of marketable equity securities	**—**	(28)	**879**	
Gain (loss) on sales or write-downs of cost method investments, net	**18**	(112)	**(160)**	
Other, net	**206**	1,192	**(200)**	
Total Other Non-Operating Income (Expense)	**$ 8,110**	$ 4,163	**$ (8,831)**	$

Net Interest Expense

The Company incurred net interest expense of $8.6 million and $25.6 million for the third quarter and first nine months of 2013, respectively, compare $8.1 million and $24.4 million for the same periods of 2012. At September 30, 2013, the Company had $451.1 million in borrowings outstanding, at an average interest rate of 7.0%.

Provision for Income Taxes

The effective tax rate for income from continuing operations for the first nine months of 2013 was 38.1%, compared to 38.8% for the first nine months 2012.

Discontinued Operations

On August 5, 2013, the Company announced that it had entered into an agreement to sell its Publishing Subsidiaries that together conducted most of Company's publishing businesses and related services, including publishing The Washington Post, Express, The Gazette Newspapers, Southern Mar Newspapers, Fairfax County Times and El Tiempo Latino and related websites. Slate magazine, TheRoot.com and Foreign Policy are not part of the transaction and remain with The Washington Post Company, as do the WaPo Labs and SocialCode businesses, the Company's interest in Classified Ventures and certain real estate assets, including the headquarters building in downtown Washington, DC. On October 1, 2013, the Company comple the sale. Consequently, the Company's income from continuing operations excludes these sold businesses, which have been reclassified to discontinu operations, net of tax, for all periods presented.

The Purchaser acquired all the issued and outstanding equity securities of the Publishing Subsidiaries for $250 million, subject to customary adjustme cash, debt and working capital at closing. The Company will not record the gain on the sale until the fourth quarter of 2013; however, the Company recognized $28.4 million (after-tax impact of $18.3 million) in expenses related to the sale that are included in discontinued operations in the third quar 2013. These costs include the net impact of accelerated vesting provisions and forfeitures of restricted stock awards and stock options that were made contemplation of the sale, and certain other transaction-related expenses. Also included in discontinued operations is $22.7 million (after-tax basis of $ million) in early retirement program expense for the first nine months of 2013, and $7.5 million (after-tax basis of $4.6 million) and $8.5 million (after-ta basis of $5.3 million) for the third quarter and first nine months of 2012, respectively.

In March 2013, the Company sold The Herald. Kaplan sold Kidum in August 2012, EduNeering in April 2012 and Kaplan Learning Technologies (KLT) February 2012. The Company divested its interest in Avenue100 Media Solutions in July 2012. Consequently, the Company's income from continuing operations also excludes the operating results and related net gains on disposition of these businesses, which have been reclassified to discontinued operations, net of tax.

Earnings (Loss) Per Share

The calculation of diluted earnings per share for the third quarter and first nine months of 2013 was based on 7,336,752 and 7,315,971 weighted avera shares outstanding, respectively, compared to 7,376,255 and 7,507,946, respectively, for the third quarter and first nine months of 2012. At Septembe 2013, there were 7,423,913 shares outstanding and the Company had remaining authorization from the Board of Directors to purchase up to 180,993 shares of Class B common stock.

Financial Condition: Capital Resources and Liquidity

Acquisitions and Dispositions

Acquisitions. In the first nine months of 2013, the Company acquired five small businesses included in other businesses and in its education division purchase price allocation mostly comprised goodwill and other intangible assets on a preliminary basis. In the first nine months of 2012, the Company acquired four small businesses included in its education division and in other businesses; the purchase price allocation mostly comprised goodwill and intangible assets. The assets and liabilities of the companies acquired have been recorded at their estimated fair values at the date of acquisition.

On August 1, 2013, the Company completed its acquisition of Forney Corporation, a global supplier of products and systems that control and monitor combustion processes in electric utility and industrial applications. The operating results of Forney are included in other businesses.

In the second quarter of 2013, Kaplan purchased the remaining 15% noncontrolling interest in Kaplan China; this additional interest was accounted for equity transaction.

In September 2012, the Company entered into a stock purchase agreement to acquire a controlling interest in Celtic Healthcare, Inc. (Celtic), a provide home healthcare and hospice services in the northeastern and mid-Atlantic regions. The transaction closed on November 5, 2012. The operating resu Celtic are included in other businesses.

Dispositions. On August 5, 2013, after approval by the Company's Board of Directors on the same day, the Company announced that it had entered binding letter agreement (the Letter Agreement) with Nash Holdings LLC, a Delaware limited liability company (the Purchaser), and Explore Holdings L Washington limited liability company, as guarantor (the Guarantor), to sell all the issued and outstanding equity securities of each of WP Company LLC Express Publications Company, LLC, El Tiempo Latino, LLC, Robinson Terminal Warehouse, LLC, Greater Washington Publishing, LLC and Post-Newsweek Media, LLC (the Publishing Subsidiaries). The Publishing Subsidiaries together conducted most of the Company's publishing businesses, including publishing *The Washington Post*, *Express*, *The Gazette Newspapers*, *Southern Maryland Newspapers*, *Fairfax County Times* and *El Tiempo Latino* and related websites, and operating Washington Post Live and Washington Post News Media Services and the Company's commercial printing distribution business and paper handling and storage business (collectively, the Publishing Business), subject to satisfying certain conditions.

On October 1, 2013, the Company entered into a Purchase Agreement and completed the sale. Under the terms of the Purchase Agreement, the Purc acquired all the issued and outstanding equity securities of each of the entities that comprise the Publishing Subsidiaries for $250 million, subject to customary adjustment for cash, debt and working capital of the Publishing Subsidiaries at closing. The Purchaser also acquired all other assets of the Company primarily related to the Publishing Business, including all of the Company's rights in the name "The Washington Post". The Company will change its corporate name within 60 days of the October closing. The Company retained its interest in Classified Ventures, LLC, Slate magazine, TheRoot.com and Foreign Policy, as well as the WaPo Labs a SocialCode business and certain real estate, including the headquarters building in downtown Washington, DC and certain land and property in Alexa VA. The liabilities under the Retirement Plan for The Washington Post Companies relating to the active employees of the Publishing Business will be transferred to the Purchaser, along with pension assets that have a value equal to the projected benefit obligation in respect of these active employee an additional $50 million. The results of operations of Publishing Subsidiaries for the three and nine months ended September 30, 2013 and 2012, are included in the Company's Condensed Consolidated Statements of Operations as Income (Loss) from Discontinued Operations, Net of Tax.

The Company will not record the gain or the net proceeds on the sale until the fourth quarter of 2013; however, the Company recognized $28.4 million tax impact of $18.3 million) in expenses related to the sale that are included in discontinued operations in the third quarter of 2013. These costs includ net impact of accelerated vesting provisions and forfeitures of restricted stock awards and stock options that were made in contemplation of the sale, certain other transaction-related expenses. Including the $28.4 million in expenses related to the sale recorded in the third quarter of 2013, the Compa estimates a $125 million pre-tax gain and an $80 million after-tax gain on the sale. This includes a preliminary estimate of net curtailment and settleme gains from the Company's pension and postretirement benefit plans, along with other estimates. As a result, the final gain amount reported in the fourt quarter of 2013 will likely differ from this preliminary estimate.

In October 2013, of the total restricted shares where vesting was accelerated, the Company purchased 21,774 shares from former employees for $13. million.

In March 2013, the Company completed the sale of The Herald, a daily and Sunday newspaper headquartered in Everett, WA. The Herald was previo reported in the newspaper publishing division.

The Company divested its interested in Avenue100 Media Solutions in July 2012, which was previously reported in other businesses. Kaplan complete sales of Kidum in August 2012, EduNeering in April 2012 and Kaplan Learning Technologies in February 2012, which were part of the Kaplan Venture division.

Capital Expenditures

During the first nine months of 2013, the Company's capital expenditures totaled $143.3 million. The Company estimates that its capital expenditures in the range of $190 million to $215 million in 2013.

Liquidity

The Company's borrowings decreased by $245.6 million, to $451.1 million at September 30, 2013, as compared to borrowings of $696.7 million at December 31, 2012. At September 30, 2013, the Company had $441.7 million in cash and cash equivalents, compared to $512.4 million at December 2012. The Company had money market investments of $296.9 million and $432.7 million that are classified as cash, cash equivalents and restricted c the Company's condensed consolidated Balance Sheets as of September 30, 2013 and December 31, 2012, respectively.

The Company's total debt outstanding of $451.1 million at September 30, 2013 included $397.8 million of 7.25% unsecured notes due February 1, 20 $46.6 million of AUD 50M borrowing and $6.7 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 revolvi credit facility (the Facility), with each of the lenders party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent (JP Morgan), and J.P. Morgan Australia Limited, as Australian Sub-Agent. The Facility will expire on June 17, 2015, unless the Company and the banks agree to extend the term.

On September 6, 2013, Standard and Poor's affirmed the "BBB" long-term corporate debt rating, but changed the outlook from Negative to Stable. In addition, S&P upgraded the Company's short-term corporate debt rating from "A-3" to "A-2". The Company's current credit ratings are as follows:

	Moody's	Stand & Poo
Long-term	Baa1	
Short-term	Prime-2	

During the third quarter of 2013 and 2012, the Company had average borrowings outstanding of approximately $449.8 million and $456.3 million, respectively, at average annual interest rates of approximately 7.0%. During the third quarter of 2013 and 2012, the Company incurred net interest exp of $8.6 million and $8.1 million, respectively.

During the nine months ended September 30, 2013 and 2012, the Company had average borrowings outstanding of approximately $477.5 million and $467.3 million, respectively, at average annual interest rates of approximately 7.0%. During the nine months ended September 30, 2013 and 2012, the Company incurred net interest expense of $25.6 million and $24.4 million, respectively.

At September 30, 2013 and December 31, 2012, the Company had working capital of $516.7 million and $327.5 million, respectively. The Company maintains working capital levels consistent with its underlying business requirements and consistently generates cash from operations in excess of rec interest or principal payments. The Company expects to fund its estimated capital needs primarily through existing cash balances and internally genera funds and to a lesser extent borrowings supported by our Credit Agreement. In management's opinion, the Company will have sufficient liquidity to me various cash needs throughout 2013.

There were no significant changes to the Company's contractual obligations or other commercial commitments from those disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2012.

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 Statem 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 2012 Annual Report filed on Form 10-K have not otherwis 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 September 30, 2013. Based on that evaluation Company's Chief Executive Officer and Senior Vice President-Finance have concluded that the Company's disclosure controls and procedures, as de and implemented, are effective in ensuring that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules forms and is accumulated and communicated to management, including the Chief Executive Officer and Senior Vice President-Finance, in a manner t 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 September 30, 2013 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

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 Associatior 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).
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	The following financial information from The Washington Post Company Quarterly Report on Form 10-Q for the period ended September 30, 2013, formatted in Extensible Business Reporting Language (XBRL): (i) Condensed Consolidated Statements of Operations for the Three and Nine Months September 30, 2013 and 2012, (ii) Condensed Consolidated Statements of Comprehensive Income for the Three and Nine Months Ended Septembe 2013 and 2012, (iii) Condensed Consolidated Balance Sheets as of September 30, 2013 and December 31, 2012, (iv) Condensed Consolidated State of Cash Flows for the Nine Months Ended September 30, 2013 and 2012, and (v) Notes to Condensed Consolidated Financial Statements. Pursuant Rule 406T of Regulation S-T, these interactive data files are deemed "furnished" and not "filed" or part of a registration statement or prospectus for pu of Sections 11 or 12 of the Securities Act of 1933, are deemed "furnished" and not "filed" for purposes of Section 18 of the Securities Exchange Act of and otherwise are not subject to liability 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: November 5, 2013

/s/ Donald E. Graham

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

Date: November 5, 2013

/s/ Hal S. Jones

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

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
November 5, 2013

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
November 5, 2013

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 September 30, 2013 (t “Report”), Donald E. Graham, Chief Executive Officer of the Company and Hal S. Jones, Senior Vice President-Finance of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

/s/ Donald E. Graham

Donald E. Graham
Chief Executive Officer
November 5, 2013

/s/ Hal S. Jones

Hal S. Jones
Senior Vice President-Finance
November 5, 2013