

GRAHAM HOLDINGS COMPANY STATEMENT OF ETHICAL PRINCIPLES

(effective March 4, 2004)

Graham Holdings Company has always had strong principles guiding the way we do business and the way we treat each other, our customers, suppliers and partners. We have sought to conduct our operations in accordance with the highest standards of business ethics and in compliance with all applicable laws. We believe in doing the right thing, and we believe that the long-term success of our businesses depends on it.

The Board of Directors (the "Board") of Graham Holdings Company has adopted this Statement of Ethical Principles, which represents an overview of the principles that govern all of our companies, their directors, officers and employees. It is not a replacement for other codes of conduct, policies, guidelines, procedures or practices that impose stricter or more detailed requirements or address the specifics of individual businesses and the environments in which the Company and our business units operate.

No policy or code can anticipate every situation or provide definitive answers to all questions that may arise. Accordingly, this Statement is intended to focus each of us on areas of ethical risk, provide guidance to help us recognize and deal with ethical issues, establish mechanisms to report unethical conduct and help foster our company's values and operating principles.

These values are communicated in writing, orally and through our daily actions. The Company expects each of us to carry out our responsibilities on behalf of the Company in accordance with this Statement and in the best interest of our shareholders.

1. Due Care

In conducting the business of the Company, each of us is to act in conducting the business of the Company in good faith, responsibly, with due care, competence and diligence.

2. Compliance with Laws, Rules and Regulations

Our policy is to promote full compliance with all applicable laws, rules and regulations of federal, state, county and local governments, and other appropriate private and public regulatory agencies. To the extent any of us has questions about a particular circumstance that may involve illegal conduct, you should seek advice from the applicable Company or divisional legal department.

3. Conflicts of Interest

Each of us should act with honesty and integrity, avoiding actual or apparent conflicts of interest. In situations that could give rise to actual or apparent

conflicts, all the pertinent facts and circumstances must be disclosed to an appropriate Company official. A “conflict of interest” occurs when an individual’s private interest significantly interferes or appears to interfere significantly with the Company’s interests. Because conflicts of interest may not always be clear cut, officers and employees are encouraged to bring questions to the attention of the manager of his or her division and/or to the Company’s Director of Internal Audit and/or the Company’s General Counsel, as appropriate. If an actual or potential conflict of interest arises for a director, the director shall promptly inform the Chairman of the Board and the presiding director. All directors will recuse themselves from any discussion or decision affecting their business or personal interests.

4. Corporate Opportunities

Each of us is prohibited from using the Company’s property, information or position for personal gain or from making personal use of opportunities that are discovered through the use of the Company’s property, information or position. A permitted exception to this policy exists if, after full disclosure of the facts is made, the disinterested members of the Board or the Company’s Chief Executive Officer and/or the Company’s Chief Financial Officer, as appropriate, determine that the Company will not pursue the opportunity.

5. Fair Dealing

The Company is committed to succeed through open, fair and honest competition. The Company seeks superior performance but never through unethical or illegal business practices. Each of us should endeavor to deal fairly with our customers, suppliers and competitors.

6. Confidentiality

Each of us should maintain the confidentiality of non-public information and records entrusted to us by the Company and any other confidential information that comes to us, from whatever source, in the course of performing our respective responsibilities, except when disclosure is authorized by the applicable legal department or required by laws, rules, regulations or legal process.

7. Protection and Proper Use of Assets

Company assets, such as information, supplies, equipment, materials, intellectual property, software, hardware and facilities, among other Company properties and assets, are valuable resources owned or licensed by or otherwise belonging to the Company and are to be used solely for Company purposes. Safeguarding this property from loss, damage or theft is the responsibility of all of us. Except in accordance with approved policies and procedures, no person shall take the Company’s property or assets for personal use or gain, nor shall

the Company's property or assets be given away, sold, or traded without a legitimate business purpose.

8. Public Information

The Company's employees are responsible for the accurate and complete reporting of financial information within their respective areas of responsibility and for the timely notification to senior management of the unit where each such individual is employed of significant transactions, trends and other financial or non-financial information that may be material to the Company. Material filed with regulatory bodies and other public communications should contain full, fair, accurate, timely and understandable disclosure.

Waivers of the requirements of this Statement will not be granted except in very limited circumstances. Any waivers of such requirements for directors and executive officers of the Company may only be made by the Board or the Audit Committee of the Board after disclosure of all material facts by the individual seeking the waiver and will be promptly disclosed as required by law or stock exchange regulations. Any waivers for other individuals may only be granted by the chief financial officer or the general counsel after disclosure of all material facts by the individual seeking the waiver.

The Company's Chief Financial Officer and Chief Legal Officer are generally responsible for the enforcement of this Statement of Ethical Principles relating to employees. The Audit Committee of the Board (or its designee) is generally responsible for enforcement of the Statement relating to members of the Board and executive officers of the Company. The Audit Committee may designate another Board committee or the full Board, as it deems appropriate, to handle the enforcement of a particular provision as it applies to members of the Board and executive officers of the Company.

Employees should report violations or suspected violations of this Statement to their manager or their division's senior financial, legal or human resources officer or the head of the division, as appropriate. If the violations or suspected violations involve a division's senior management, employees should report such matters to the Company's Vice President-Finance, the General Counsel or the Director of Internal Audit. Members of the Board should report these matters to the Chairman of the Board or the presiding director, as appropriate. Alternatively, concerns or reports of violations or possible violations may be submitted in writing to the chair of the Audit Committee, c/o the Corporate Secretary, or through the Company's hotline. Communications about accounting or auditing matters may be submitted anonymously and will be kept confidential, except where disclosure is required to investigate the matter or by laws, rules or regulations or legal process. It is the Company's policy to prohibit any form of retaliation for reports of misconduct by others made in good faith.

Where violations of this Statement of Ethical Principles are determined to exist, appropriate corrective and disciplinary action will be taken, which may include one or more of the following measures, as applicable: (i) counseling; (ii) a warning; (iii) a

reprimand noted in a personnel file; (iv) probation; (v) change, including reassignment, in job responsibilities, authority and/or title; (vi) temporary suspension, with or without pay; (vii) termination of employment or other relationship with the Company; (viii) removal as a director or officer; (ix) reimbursement of losses or damages resulting from the violation; or (x) referral for criminal prosecution or civil action.

This Statement of Ethical Principles is not intended to and does not create an employment contract, and does not create any contractual rights between the Company and its employee, officers or directors or create any express or implied promise for specific treatment in specific situations.

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