

Graham Holdings Company

Non-GAAP Adjustments, 2015 Adjusted Operating Income (Loss)

(\$ millions)

	Education	TV	Other Businesses	Corp Office	Corp Pension	Total
Operating Income (Loss)	\$(223)	\$165	\$(14)	\$(9)	\$-	\$(81)
Corporate Pension (Credit)	-	-	-	(82)	82	-
Add: Amortization/Impairment	262	0	16	-	-	279
Operating Income before Amortization/Impairment	\$39	\$165	\$2	\$(90)	\$82	\$198
Add: Restructuring Charges	44	-	1	-	-	45
Add: Stock Comp Expense from Award Modifications	-	-	-	25	-	25
Adjusted Operating Income (Loss)	\$83	\$165	\$3	\$(65)	\$82	\$268

The sum of certain amounts may not equal the total due to rounding

Graham Holdings Company

Non-GAAP Adjustments, 2014 Other Businesses Adjusted Operating Loss
(\$ millions)

	Other Businesses
Operating Loss	\$(21)
Add: Amortization	11
Adjusted Operating Loss	\$(11)

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Non-GAAP Adjustments, Q1 2016 Adjusted Operating Income (Loss)
(\$ millions)

	Education	TV	Other Businesses	Corp Office	Corp Pension	Total
Operating Income (Loss)	\$14	\$41	\$(6)	\$2	\$-	\$52
Corporate Pension (Credit)	-	-	-	(16)	16	-
Add: Amortization	2	0	5	-	-	6
Operating Income (Loss), before Amortization	\$16	\$41	\$(1)	\$(14)	\$16	\$58

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Non-GAAP Adjustments, Q1 2015 Adjusted Operating Income (Loss) (\$ millions)

	Education	TV	Other Businesses	Corp Office	Corp Pension	Total
Operating Income (Loss)	\$(23)	\$39	\$(5)	\$(2)	\$-	\$9
Corporate Pension (Credit)	-	-	-	(17)	17	-
Add: Amortization	2	0	3	-		5
Operating Income (Loss) before Amortization	\$(21)	\$39	\$(2)	\$(19)	\$17	\$14
Add: Restructuring Costs	11	-	-	-	-	11
Adjusted Operating Income (Loss)	\$(10)	\$39	\$(2)	\$(19)	\$17	\$25

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Non-GAAP Adjustments, Kaplan Corporate Operating Expenses
(\$ millions)

	Q1 2015
Kaplan Corporate and Other, As Reported	\$27
Less: Other	6
Kaplan Corporate, As Reported	\$21
Less: Restructuring Costs	8
Kaplan Corporate, As Adjusted	\$13

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Non-GAAP Adjustments, Q1 2015 Adjusted Operating Income (Loss)
(\$ millions)

	Higher Education	Test Preparation	Kaplan International	Corporate and Other
Operating Income (Loss) before Amortization	\$1	\$(4)	\$8	\$(25)
Add: Restructuring Costs	3	-	0	8
Adjusted Operating Income (Loss)	\$3	\$(4)	\$8	\$(17)

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Non-GAAP Adjustments, Operating Margin Comparisons (\$ millions)

Higher Education	2015	2014	2013
Operating Income	\$56	\$83	\$72
Add: Restructuring Costs	13	6	20
Adjusted Operating Income	\$68	\$90	\$91
Revenue	\$850	\$1,010	\$1,081
Operating Margin	8.1%	8.9%	8.4%

Test Preparation	2015	2014	2013
Operating Income (Loss)	\$17	(\$5)	\$4
Add: Restructuring Costs	1	9	-
Adjusted Operating Income	\$18	\$4	\$4
Revenue	\$302	\$305	\$293
Operating Margin	5.8%	1.3%	1.4%

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Non-GAAP Adjustments, Operating Margin Comparisons (\$ millions)

Kaplan International	2015	2014	2013
Operating Income	\$54	\$69	\$52
Add: Restructuring Costs	1	0	6
Adjusted Operating Income	\$55	\$69	\$57
Revenue	\$770	\$841	\$784
Operating Margin	7.1%	8.3%	7.3%
Total	2015	2014	2013
Operating Income (Loss)	\$(223)	\$65	\$51
Add: Amortization/Impairment	262	25	12
Add: Restructuring Costs	44	17	36
Adjusted Operating Income	\$83	\$107	\$99
Revenue	\$1,928	\$2,160	\$2,164
Operating Margin	4.3%	5.0%	4.6%

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Non-GAAP Adjustments, Q1 2016 Manufacturing and Healthcare
(\$ millions)

	Manufacturing	Healthcare
Operating Income	\$1	\$2
Add: Amortization	3	2
Operating Income before Amortization	\$4	\$4
Inventory Acquisition Step-up	1	-
Adjusted Operating Income	\$5	\$4