

Annual Shareholders Meeting

May 4, 2017

The presentation at this meeting 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-looking statements. For more information about these forward-looking statements and related risks, please refer to the section titled "Forward-Looking Statements" in Part 1 of the Company's Annual Report on Form 10-K and the section titled "Corporate Governance/Risk Factors" under "Investor Relations" on the Company's website, www.ghco.com and as updated in the Company's Form 10-Q for the first quarter.

Major Highlights Since Our Last Meeting

- Purchase of two TV stations
- Purchase of Electri-Cable Assemblies
- Purchase of Hoover Treated Wood Products
- Residential Buyout and Formation of Graham Healthcare Group (GHG)
- UK Debt Issuance
- Repurchase of Stock
- Announcement of Kaplan University transaction
- Purchase of Marketable Equity Securities
- Sales of Land and Marketable Equity Securities

2016 Comparative Results

From continuing operations

(\$ millions)

	2016 As Reported	2016 As Adjusted		2015 As Reported	2015 As Adjusted
Revenue					
Education	\$1,598	\$1,598		\$1,928	\$1,928
Television broadcasting	410	410		359	359
Other businesses	474	474		299	299
	\$2,482	\$2,482		\$2,586	\$2,586
Operating Income Before Amortization/Impairment*					
Education	\$101	\$113	**	\$39	\$83
Television broadcasting	201	201		165	165
Other businesses	(2)	(2)		2	3
Corporate office, excluding pension credit	(50)	(50)		(90)	(65)
Corporate pension credit	82	82		82	82
	\$332	\$344		\$198	\$268

* Non-GAAP measure – see reconciliation at ghco.com

** Non-GAAP measure – excluding certain expenses – see reconciliation at ghco.com

Combined GHC & Kaplan Corporate Expenses

(\$ millions)

	2016 As Reported	2015 As Reported	2015 As Adjusted*
Kaplan Corporate	\$20	\$72	\$43
GHC Corporate, excluding pension credit	50	90	65
	\$70	\$162	\$108

* Non-GAAP measure – excluding certain expenses – see reconciliation at ghco.com

Balance Sheet

(\$ millions)

	3/31/2017	12/31/2016	% Change
Cash and restricted cash	\$657	\$671	(2)
Marketable equity securities/other	457	448	2
Other current assets	646	752	(14)
Net property, plant and equipment	243	234	4
Net goodwill and intangibles	1,427	1,297	10
Prepaid pension cost	836	882	(5)
Other assets	150	149	1
Total Assets	\$4,416	\$4,433	0
Current liabilities	\$ 773	\$ 813	(5)
Debt	493	492	0
Other long-term liabilities	669	675	(1)
Shareholders' Equity	2,481	2,453	1
Total Liabilities and Equity	\$4,416	\$4,433	0

Q1 2017 and 2016 Results

(\$ millions)

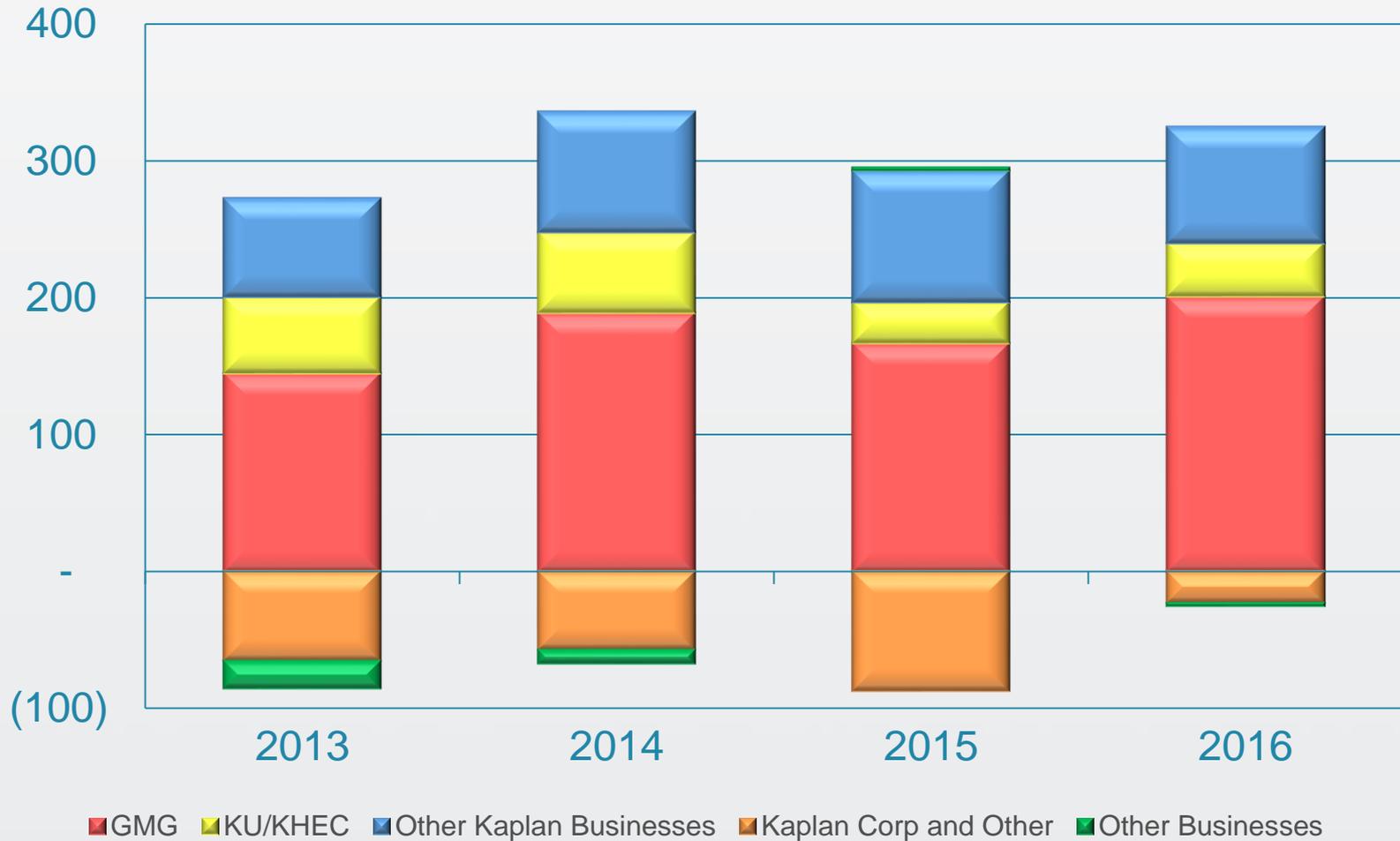
	2017	2016	% Change
Revenue			
Education	\$373	\$401	(7)
Television broadcasting	92	92	(1)
Other businesses	118	109	9
	\$583	\$602	(3)
Operating Income Before Amortization*			
Education	\$10	\$16	(37)
Television broadcasting	27	41	(35)
Other businesses	(6)	(1)	-
Corporate office, excluding pension credit	(14)	(14)	2
Corporate pension credit	18	16	16
	\$36	\$58	(38)

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

** Non-GAAP measure – see reconciliation at ghco.com*

GHC Operating Income*

(Before Amortization and Impairment, \$ millions)



*Excluding Corporate Office, Corporate pension credit, and intangibles amortization/impairment

Graham Media Group



the local station



SOCIAL NEWS DESK

Graham Media Group Transaction

- Divested as part of Nexstar/Media General merger
- Agreement to acquire 2 stations
 - WCWJ (CW – Jacksonville, FL)
 - WSLS (NBC – Roanoke, VA)
- Terms:
 - \$60 million in cash
 - \$59 million in assumption of pension obligations

Graham Media Group

(\$ millions)

	Q1 2017	Q1 2016	% Change
Revenue	\$92	\$92	(1)
Operating Income Before Amortization*	\$27	\$41	(35)

* Non-GAAP measure – see reconciliation at ghco.com

Kaplan

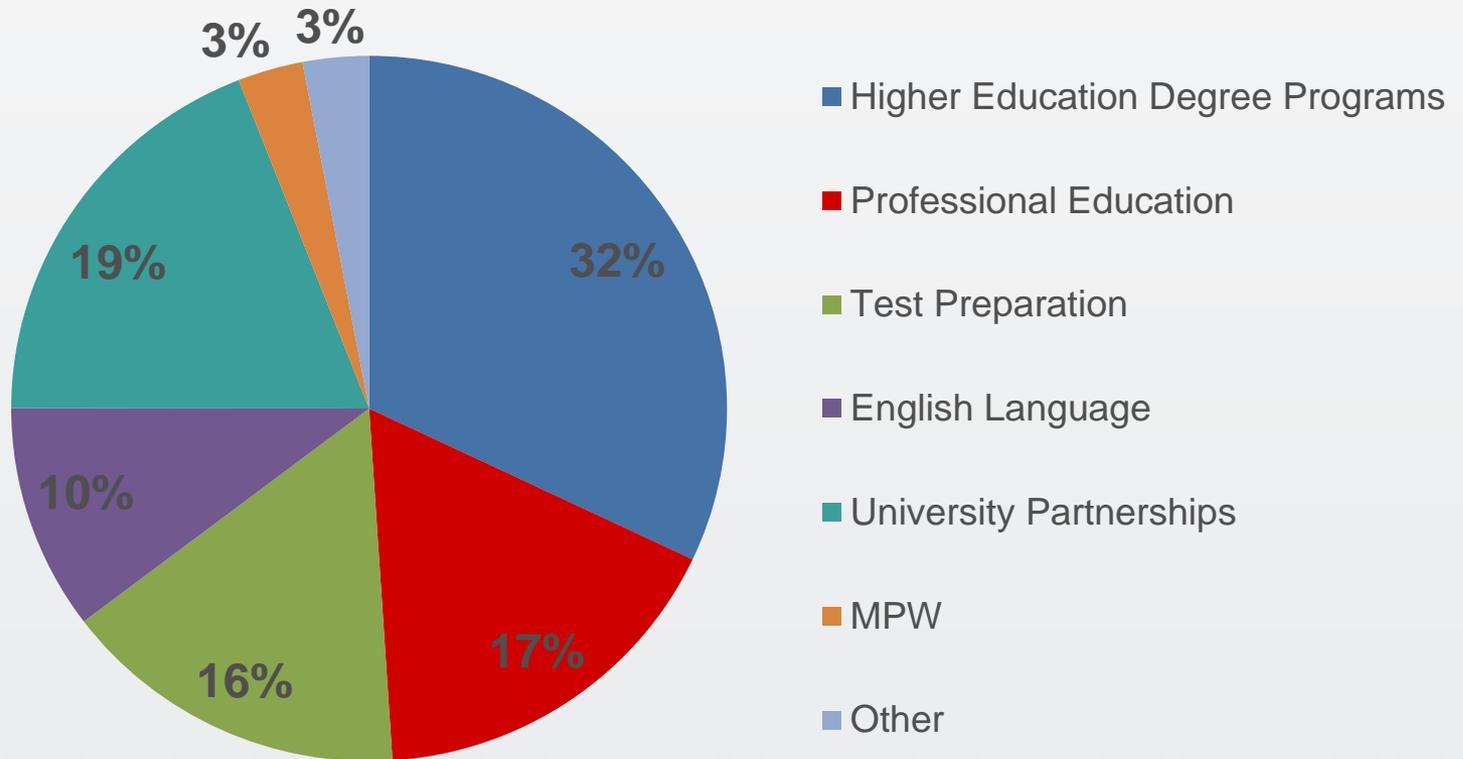
(\$ millions)

	Q1 2017	Q1 2016	% Change
Revenue			
Higher Education			
KU/KHEC	\$112	\$134	(16)
Kaplan Professional	32	32	2
Test Preparation	65	66	(3)
International	165	169	(3)
Corporate and Other	(1)	0	-
	\$373	\$401	(7)
Operating Income Before Amortization*			
Higher Education			
KU/KHEC	\$3	\$11	(79)
Kaplan Professional	10	10	5
Test Preparation	(3)	(2)	(24)
International	8	5	57
Corporate and Other	(7)	(8)	5
	\$10	\$16	(37)

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* Non-GAAP measure – see reconciliation at ghco.com

Kaplan's Q1 2017 Product Sales Mix Remains Diverse



Kaplan Operating Margin*

(excluding restructuring and amortization/impairment)

	2016	2015	2014	2013
Kaplan Operating Margin	7.1%	4.3%	5.0%	4.6%

* Non-GAAP measure – see reconciliation at ghco.com

Kaplan University Transaction

- Kaplan contributes institutional assets to Purdue to form a new public university
- Kaplan to provide operations support for initial term of 30 years, subject to buy-out option after six years
- Each party's expenses are covered, plus priority payment to Purdue of \$10 million/year for five years
- Kaplan then receives fee of 12.5% of revenue
- Excludes KU-Pace, Kaplan Test Prep and Kaplan International
- Contingent on approvals by ED, ICHE and HLC (Q4 2017)

Kaplan

(\$ millions)

	2016	2015	2014	2013
Revenue				
Higher Education				
KU/KHEC	\$505	\$757	\$923	\$991
Kaplan Professional	112	93	87	90
Test Preparation	287	302	305	293
International	696	770	841	784
Corporate and Other	(2)	6	5	6
	\$1,598	\$1,928	\$2,160	\$2,164
Operating Income Before Amortization/Impairment*				
Higher Education				
KU/KHEC	\$39	\$30	\$59	\$56
Kaplan Professional	28	26	24	16
Test Preparation	10	17	(5)	4
International	48	54	69	52
Corporate and Other	(24)	(87)	(57)	(65)
	\$101	\$39	\$90	\$63

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* Non-GAAP measure – see reconciliation at ghco.com

Kaplan

(\$ millions)

	Q1 2017	Q1 2016	% Change
Revenue			
Higher Education			
KU/KHEC	\$112	\$134	(16)
Kaplan Professional	32	32	2
Test Preparation	65	66	(3)
International	165	169	(3)
Corporate and Other	(1)	0	-
	\$373	\$401	(7)
Operating Income Before Amortization*			
Higher Education			
KU/KHEC	\$3	\$11	(79)
Kaplan Professional	10	10	5
Test Preparation	(3)	(2)	(24)
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	\$10	\$16	(37)

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Kaplan International Student Accommodation Business

Background

- Structural undersupply of student dormitories in key university markets
- Universities are capital constrained thereby limiting their ability to develop dormitories
- Kaplan international student pathway programs are being constrained due to accommodation shortage
- Universities are willing to extend pathway contracts if Kaplan provides accommodation solution
- Pairing of pathway contract extension and accommodation solution locks-in favorable economics for many years
- Kaplan's results from University of Glasgow, Nottingham Trent University and Bournemouth University support expansion in this area



Kaplan International Student Accommodation Business

\$ millions				
	Student Beds	Leases		Expected Capital Investment
		Yrs	\$ Amt	
Active	1,115		\$ 109.6	
In-Development	1,067		\$ 206.0	\$ 46.5
Total	2,182	12-21 Yrs	\$ 315.6	\$ 46.5

Active

- University of Glasgow
- Nottingham Trent University
- Bournemouth University

In Development

- University of Liverpool
- University of Brighton
- MPW Location (Bath)





- Thomson, GA-based supplier of pressure-impregnated kiln-dried lumber and plywood productions for fire retardant and preservative applications
- Industry leader in the fire retardant treated wood (FRTW) market
- FRTW is mandated in the building code for multi-family and low rise commercial buildings
- Purchase price of approximately \$205 million (April 2017)
- Long-term business, founded in 1955
- Highly experienced management team
- Operates nine company-owned wood treating facilities

Manufacturing

(\$ millions)

	Q1 2017	Q1 2016	% Change
Revenue	\$62	\$57	9
Operating Income Before Amortization and inventory acquisition step-up adjustments*	\$7	\$5	33



* Non-GAAP measure – excluding certain expenses – see reconciliation at ghco.com



GRAHAM HEALTHCARE GROUP

(\$ millions)

	Q1 2017	Q1 2016	% Change
Revenue	\$37	\$36	3
Operating Income Before Amortization*	\$1	\$4	(83)

* Non-GAAP measure – see reconciliation at ghco.com

SOCIAL CODE

(\$ millions)

	Q1 2017	Q1 2016	%Change
Revenue	\$13	\$11	18
Operating Income Before Amortization*	(\$4)	(\$3)	(49)

* Non-GAAP measure – see reconciliation at ghco.com

Other Businesses



Operating and Free Cash Flow

(\$ millions)

	Q1 2017	Q1 2016
Operating Income	\$29	\$52
Add: Depreciation and Amortization	22	23
Less: Pension (Credit) Expense	(15)	(12)
Operating Cash Flow*	36	63
Capital Expenditures	(16)	(11)
Free Cash Flow*	\$20	\$52

*Non-GAAP measure

GHC Pension Plan

(\$ millions)

At December 31, 2016

Benefit Obligation	\$1,161
Plan Assets	2,043
Funded Status/Prepaid Pension Asset	\$882

Net Pension (Expense) Credit For the Year ended December 31

2013	(2)
2014	69
2015	63
2016	49
2017 Estimate	59

Company Philosophy

- Uniquely focused on the long-term
- Focused on year to year results
- Diversified sectors
- Maniacally focused on capital allocation and accountability

Acquisition Strategy

- Well-run, profitable businesses in fields we can understand
- Strong management with an interest in continuing to run the business
- Businesses we believe have at least ten years of stable or growing earnings ahead of them
- Reinvestment opportunities that are apparent within the business



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