

Graham Holdings Company

Non-GAAP Adjustments, 2016 Adjusted Operating Income (Loss)

(\$ millions)

	Education	TV	Other Businesses	Corp Office	Corp Pension	Total
Operating Income (Loss)	\$94	\$201	\$(22)	\$32	\$-	\$304
Corporate Pension (Credit)	-	-	-	(82)	82	-
Add: Amortization/Impairment	7	0	20	-	-	28
Operating Income before Amortization/Impairment	\$101	\$201	\$(2)	\$(50)	\$82	\$332
Add: Restructuring Charges	12	-	-	-	-	12
Adjusted Operating Income (Loss)	\$113	\$201	\$(2)	\$(50)	\$82	\$344

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

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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

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

	2016	2015
Kaplan Corporate and Other, As Reported	\$24	\$94
Less: Other	4	22
Kaplan Corporate, As Reported	\$20	\$72
Less: Restructuring Costs	-	29
Kaplan Corporate, As Adjusted	\$20	\$43

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Non-GAAP Adjustments, Q1 2017 Adjusted Operating Income (Loss)
(\$ millions)

	Education	TV	Other Businesses	Corp Office	Corp Pension	Total
Operating Income (Loss)	\$9	\$26	\$(11)	\$4	\$-	\$29
Corporate Pension (Credit)	-	-	-	(18)	18	-
Add: Amortization	1	1	5	-	-	7
Operating Income (Loss), before Amortization	\$10	\$27	\$(6)	\$(14)	\$18	\$36

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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, Kaplan Operating Margin Comparisons (\$ millions)

	2016	2015	2014	2013
Operating Income (Loss)	\$94	\$(223)	\$65	\$51
Add: Amortization/Impairment	8	262	25	12
Operating Income before Amortization/Impairment	\$101	\$39	\$90	\$63
Add: Restructuring Costs	12	44	17	36
Adjusted Operating Income	\$113	\$83	\$107	\$99
Revenue	\$1,598	\$1,928	\$2,160	\$2,164
Operating Margin	7.1%	4.3%	5.0%	4.6%

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Non-GAAP Adjustments, Q1 2017 and Q1 2016 Other Businesses
(\$ millions)

Manufacturing	Q1 2017	Q1 2016
Operating Income	\$4	\$1
Add: Amortization	3	3
Operating Income before Amortization	\$7	\$4
Inventory Acquisition Step-up	-	1
Adjusted Operating Income	\$7	\$5

Healthcare	Q1 2017	Q1 2016
Operating Income	\$(1)	\$2
Add: Amortization	2	2
Adjusted Operating Income	\$1	\$4

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Non-GAAP Adjustments, Q1 2017 and Q1 2016 Other Businesses
(\$ millions)

SocialCode	Q1 2017	Q1 2016
Operating Income	\$ (4)	(\$3)
Add: Amortization	0	-
Adjusted Operating Income	\$ (4)	(\$3)