

Graham Holdings Company

Non-GAAP Adjustments, Diluted Earnings Per Share

	Q3 2012	Q3 2013	First 9 Months 2012	2013
EPS – Continuing Operations, as reported	7.58	7.53	16.17	18.07
Severance and restructuring	0.37	0.42	0.78	1.79
Gain on sales of a cost method investment	-	-	(0.48)	-
Foreign currency loss (gain)	(0.26)	(0.69)	(0.27)	0.83
EPS – Continuing Operations, adjusted (non-GAAP)	7.69	7.26	16.20	20.69

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Non-GAAP Adjustments, Cable Division (\$ millions)

	First 9 Months	
	2012	2013
Operating Income	111.1	121.0
Plus: Depreciation of PP&E and Amortization of Intangible Assets	96.9	100.8
Operating Cash Flow (non-GAAP)	208.0	221.8
Less: Capital Expenditures	(102.3)	(105.9)
Free Cash Flow (non-GAAP)	105.7	115.9