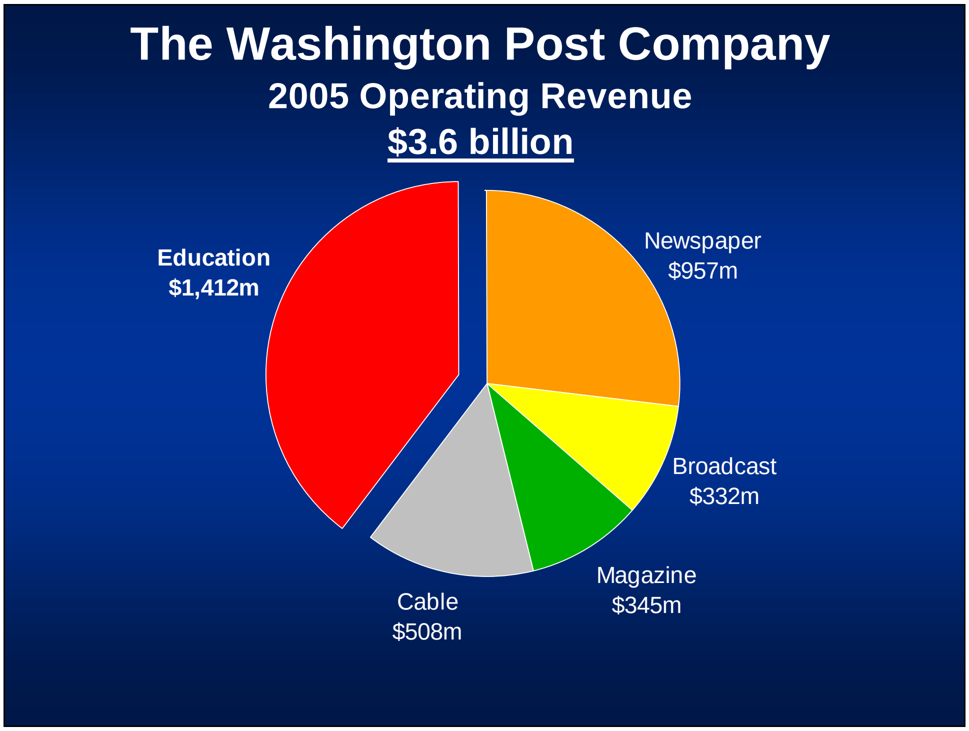
Mid-Year Media Review
New York
June 20, 2006

Remarks by Donald E. Graham
Chairman of the Board and Chief Executive Officer

Out of normal sequence, I want to start off by talking about Kaplan because it is now the biggest part of our company both in revenue and in profits, because it is changing the fastest and because our hopes for it in the future are very high.



Kaplan has grown both in the scale of our company and in the scale of its industry. Last year, 40% of The Washington Post Company's revenues came from education, but Kaplan also grew at a much faster rate than any other business we own except for Washingtonpost.Newsweek Interactive.

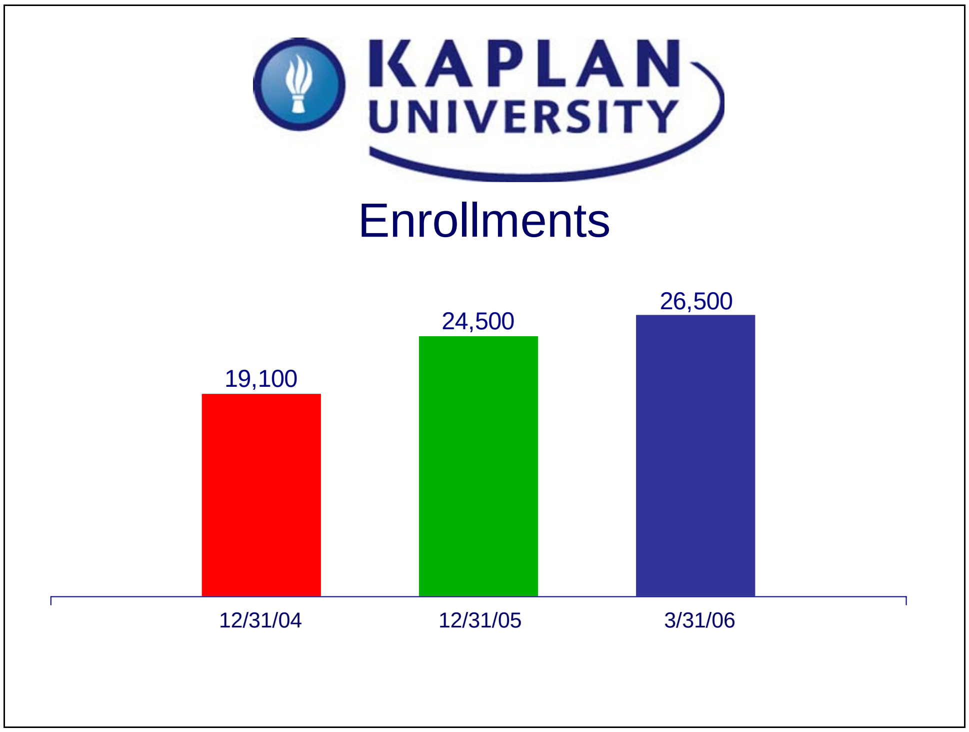
So as the years go by, unless exceptionally attractive media investments present themselves, I think Kaplan will become a bigger and bigger part of our company and could soon be as large in revenues as all our other businesses combined. This suggests an analytical problem for all of you, since after figuring out your own notions of what Kaplan is worth, you must go on to four separate, good-sized media businesses and also try to evaluate their futures.

Kaplan's consistent pattern has been to acquire a business and then look for every imaginable cost-effective way to grow it by changes in technology, in organization, in marketing, in real estate or in geography.

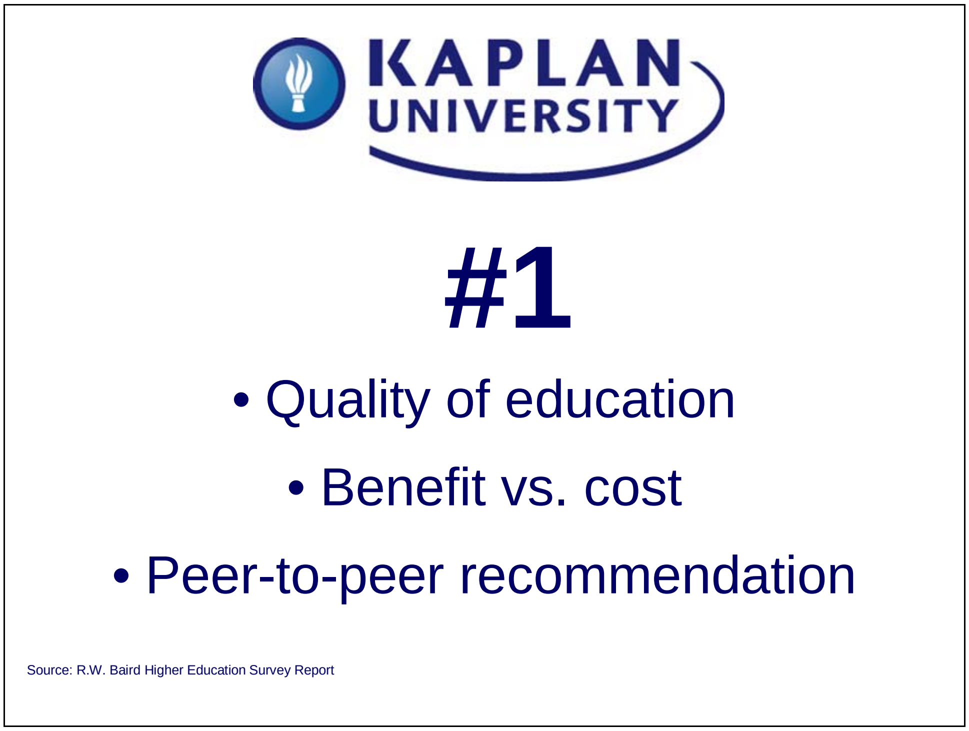
This is perhaps best illustrated in our oldest business, Test Prep, where in 1993 Jonathan Grayer made a critical decision to change from a company of independent contractors to one entirely operated by employees, for a year or two greatly increasing the scale of our losses in a company that was already losing money.

Changing the organization allowed us to be the first test prep company to put computers into all our centers at a time when many graduate exams were moving to computerized test-taking. A few acquisitions expanded our reach in certain graduate exams. Then, simple to say but incomparably hard in execution, we improved the quality of our courses every year for every exam.

Since word of mouth is paramount in test prep marketing, Kaplan's long-term success hinges on the idea that the test-taker in Boston or in San Diego must report happy and successful experiences to their classmates and to the students one year younger. Under John Polstein's amazing leadership this has gone on at Kaplan Test Prep year after year.



Kaplan University and Kaplan International are the two other big ongoing success stories at Kaplan. Kaplan University, which under Andy Rosen's astute direction now enrolls more than 26,000 students, is Kaplan's fastest growing business both in revenue and in profits.



Earlier this year, a securities firm surveyed graduates of more than 40 for-profit and online universities. It asked large numbers of graduates about their satisfaction with the quality of their education and how much they paid for it. Since we had no idea such a survey was taking place, it was immensely gratifying for us to find Kaplan University ranked number one in quality of education, in benefit versus cost and in the likelihood that a student would recommend the university to a friend.

Kaplan has tried to put its stake in the ground as a high-quality provider of very practical programs. Online education works. KU students will continue to find a strong faculty and a rich mix of academic advisers to help them succeed.

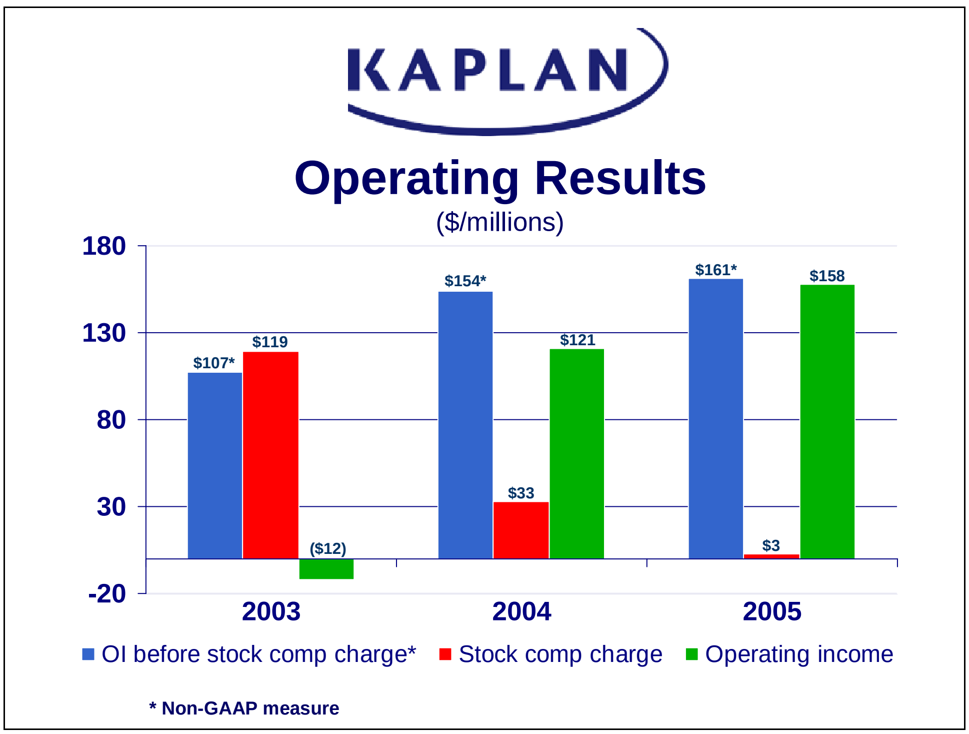
Our International operations, still small relative to the total size of Kaplan, began with the acquisition of U.K.-based FTC, in 2003, and now also includes the Dublin Business School, Holborn College, APMI in Singapore, HKPVS (the Mandarin School) in Hong Kong and, as of last month, Tribeca, a company in Australia that provides education for financial professionals. (Kidum, the test prep company in Israel that we acquired in 2005, is included in the Kaplan Test Prep division.)

From the moment we began discussing the potential acquisition of FTC, Jonathan Grayer and I agreed that the acquisition only made sense if the London-based company came with an outstanding executive to manage it. William Macpherson has proven a very strong manager of our entire international operation, and William and our international team have recently welcomed the addition of Tribeca's CEO, Adam Davis, who bids fair to be another very important addition to Kaplan.

I should comment on two Kaplan businesses where results have gone less well.

Kaplan Professional results this year will be impacted to the tune of a few million dollars by a sharp slowdown in our real estate schools, particularly in the western states. Whether this is temporary, I have no way of knowing, but whatever is happening in the real estate market in California and the West, the number of people wishing to take exams to enter the business has diminished markedly after several years of growing very fast indeed.

I commented at length in our annual report about the performance of Kaplan Higher Education's brick and mortar campuses, now reporting to Andy Rosen and under the leadership of Jeff Conlon, a veteran Kaplan executive. I indicated that our campus-based business would have to be stabilized in 2006 before it could resume its growth in profitability. Andy and Jeff have taken hold a little more quickly than one might have anticipated, and results in this business may be a tiny bit better than the reader of our annual report might have thought, but it is basically on track to build a better business this year and begin improving results a bit more in 2007.



Our annual report also included lengthy comments on the complicated subject of Kaplan's stock compensation plan. I will deliberately repeat what I said in the annual report because it is important for anyone who wants to understand Kaplan's results in 2006. “Kaplan's bottom-line 2005 results looked better than the underlying business reality. The reverse is likely to be true in 2006. The real performance of our business will be better than the apparent bottom-line results.”

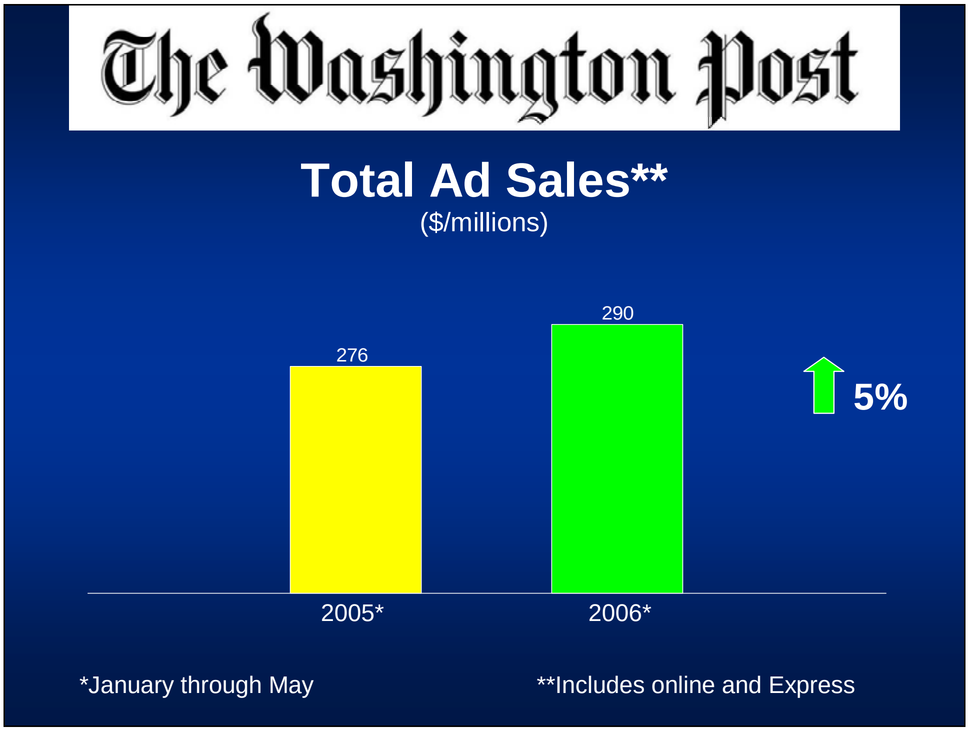
You may recall that we bought out a large portion of Kaplan options in 2003, resulting in the large stock comp charge that year. In 2005, Kaplan’s operating income was $157.8 million (shown here in green), up from $121.5 million in 2004, but almost $30 million of that swing resulted from a dramatically reduced expense for stock compensation for Kaplan's top management, as you can see in the red bars. The expense for stock comp may increase later this year.

As you saw in our 8-K filing earlier this month, the Company entered into a performance-based retention agreement with Jonathan Grayer that includes additional Kaplan equity awards now and in the future. The number of shares that may be granted to Jonathan in the coming years, in lieu of cash bonuses, depends not only on the extent to which performance targets are achieved, but also on the fair market value of Kaplan stock at that time.

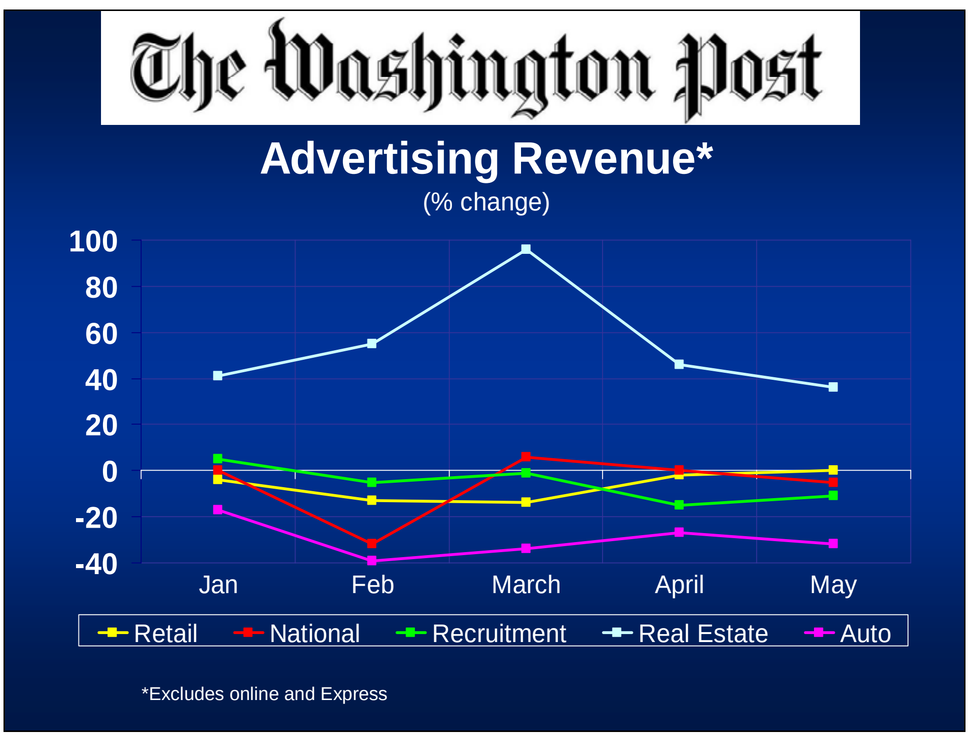
Each year, our Compensation Committee assigns a valuation to Kaplan based in large part on the recommendation of an outside firm. That firm's job is to evaluate Kaplan as if it were a public company. Two of the principal metrics they use are Kaplan's forecast of operating income and the PE ratios of publicly-traded education companies. In 2005, largely because of the performance of Kaplan's higher education campus businesses, Kaplan's yearly performance and its forecast diminished over the course of the year and the values of publicly-traded education companies shrank. It was the first year since the establishment of the Kaplan compensation plan, in 1997, that the value of Kaplan didn't grow.

I am no more a predictor of Kaplan's future earnings than of anything else, but I certainly expect 2006 Kaplan business results to be better than 2005.

The fluctuations in compensation charges should not be the most important thing in arriving at your assessment of Kaplan's value. The hardest part is arriving at your own assessment of how large Kaplan's opportunity is in each field, and the likelihood that we will be able to make the most of it against very good competitors. The management that has grown Kaplan from a money-losing business in 1994 to our largest business today appears to give us good prospects. I cannot make our stockholders any promises about where Kaplan's earnings will go.

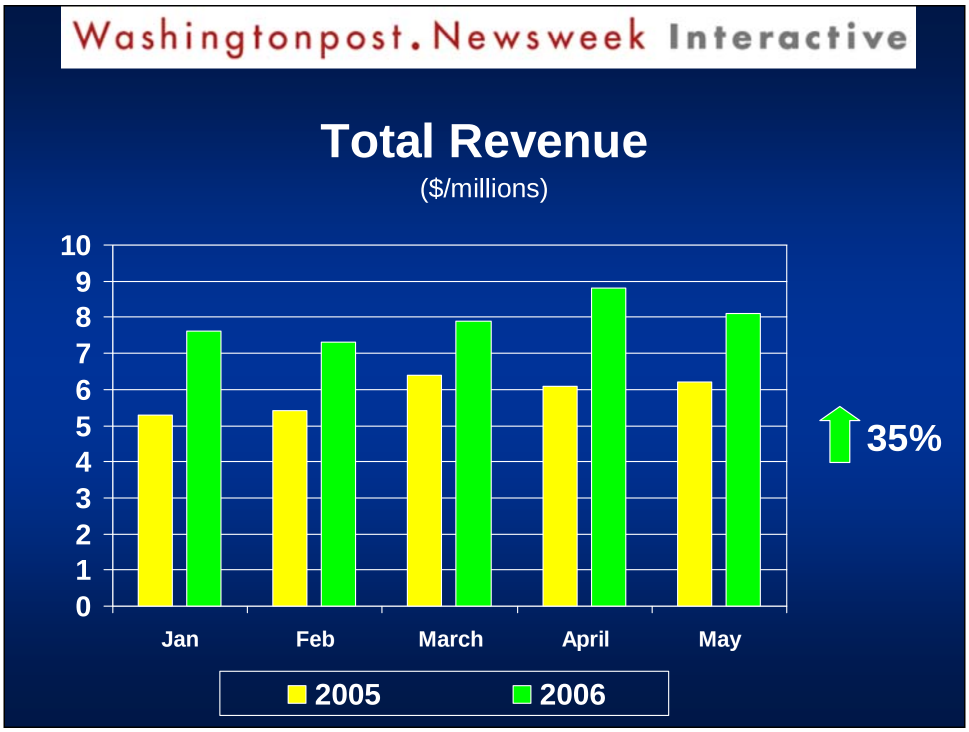


Let me now turn to our media companies, starting with The Washington Post. Ad sales for the first five months at the newspaper, and particularly for our digital operations at Washingtonpost.Newsweek Interactive, were strong.

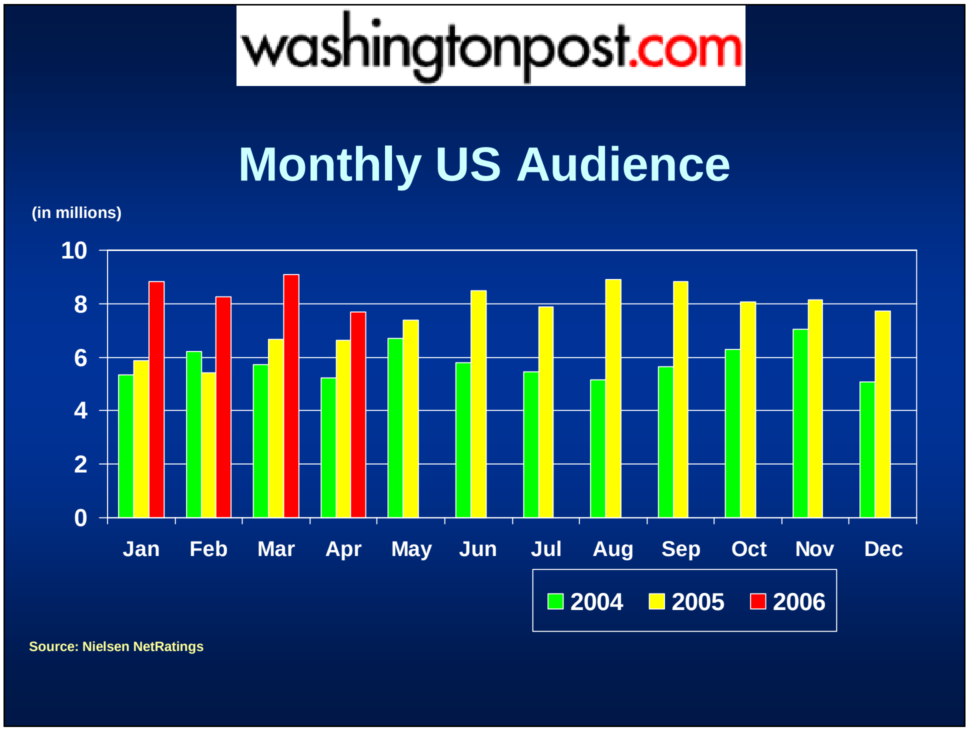


The newspaper was up in advertising revenue for the first five months, but the month-by-month numbers have shown a great deal of variation by category.

Here is a brief review of selected print advertising categories: retail (excluding real estate display), national, recruitment, real estate (display only) and automotive. While most of these categories show mixed results, real estate display is off the charts; the same is true for real estate classified – for the moment.



WPNI revenue was up 35% for the first five months. WPNI's numbers include washingtonpost.com, Newsweek.com, BudgetTravelOnline.com and Slate. But washingtonpost.com's revenues are equal to about 80% of WPNI's.



The program for any newspaper today has to be to maximize its print audience and revenue and then to gallop as fast as it can toward the highest possible audience and the highest possible revenues on the internet.

Under CEO Caroline Little and washingtonpost.com editor Jim Brady, all our sites now offer an impossibly rich mix of stories and other features that make them very valuable to readers. We obviously cannot continue to grow revenue at 35% for very long, but a lot of our future is bound up in these high growth rates.

The Post, consistent with publisher Bo Jones' careful cost-cutting ways, successfully completed buyouts for 19 mailers and 173 editorial and business-side employees, largely paid for out of pension funds. This is a very constructive use of our well-funded pension plan.

Newspaper Division

($/millions)

	Q1 2005	Q1 2006	
Revenue	233.0	243.5	4%
Operating Income	31.4	32.0	2%

As we reported in our first quarter press release, operating income for the newspaper division improved, the first time this has been so in six quarters.

The newspaper began one highly unusual experiment, taking over the programming for what is now called Washington Post Radio on AM and FM signals in the Washington market. We do not own these stations. We provide much of the programming under an arrangement with Bonneville, which pays us a fee and a modest share of revenues. I do not have any rating information to share with you.

The radio station is potentially important to The Post, not for the money we can make, but for the chance to connect with the audience in our home market in a completely new way and possibly to make them feel quite different about the newspaper as they get to know its reporters and editors much better.

I will quickly say that the first five months of the year were improved at Newsweek. Newsweek, headed by CEO Rick Smith, is 80 advertising pages ahead of last year at this time for its domestic edition. Newsweek.com was recognized in the EPpy Awards as the best overall magazine-affiliated site.

Since Slate is located in the same building with Newsweek, although they are organizationally unrelated, I'll also mention that this wonderful publication won an EPpy Award for best internet news service.

POST-NEWSWEEK
STATIONS, INC.

($/millions)

	Q1 2005	Q1 2006	
Revenue	79.3	85.9	↑ 8%
Operating Income	32.8	37.6	↑ 15%

Post-Newsweek Stations' profitability was up for the first quarter, but much of that increase came from Olympics-related advertising on our two largest stations, in Detroit and Houston, both of which are NBC stations. It is not a great year to have NBC as your most important network affiliation, but how can anyone complain after NBC's years and years of ratings dominance?

Our two ABC affiliates and one CBS affiliate are performing somewhat better as their network recovers in the case of ABC, and booms ahead in the case of CBS. Good news in our broadcasting division is mostly in Florida, where WKMG, in Orlando, is now a solidly established performer under strong leadership and with room to grow; where WPLG, in Miami, an ABC affiliate, is showing the first signs of a turnaround in every aspect of its performance; and where WJXT, our independent station in Jacksonville, remains a wildly improbable success story, showing still higher profits than when I reported to you at great length last year.

In Texas, our San Antonio ABC affiliate, KSAT, is the single strongest performing station in the Company, but as I mentioned in the annual report, KPRC, our NBC affiliate in Houston, had a very poor year in 2005 and continues to struggle in the early part of this year as it rebuilds under Larry Blackerby, who was responsible for the dramatic turnaround at WJXT.

What all these stations have in common is the wise and energetic leadership of Post-Newsweek Stations' CEO Alan Frank. With Miami joining Jacksonville and Orlando as dramatic turnaround success stories, Post shareholders have every reason to cheer for Alan's extraordinary performance.

CABLE ONE

($/millions)

	Q1 2005	Q1 2006	
Revenue	126.4	135.2	↑ 7%
Operating Income	23.4	25.4	↑ 9%

You veterans of these presentations will notice a change in my rhetoric with regard to the performance of Cable ONE, our 700,000 subscriber cable MSO. Three or four years ago I was very concerned with the inroads being made into our basic subscriber base by satellite broadcasters. Last fall, because our systems include almost the entire Mississippi Gulf Coast, our results were dramatically impacted by Hurricane Katrina.

Subscribers*

	2005**	2006**
Basic	613,500	611,500
Digital	185,200	182,500
High-speed data	180,500	228,000

*excluding Gulf Coast **as of May 31

This year the shoe is on the other foot. In our non-Gulf Coast systems, the fundamental trends are better than in the past several years. We've added high-speed data subscribers at rates far above what Tom Might and I envisioned. Basic and digital subscribers have declined slightly since the end of the first quarter, primarily as a result of a $3 monthly basic rate increase; our last rate increase was two years ago.

While these numbers exclude the Gulf Coast, I should point out that we have managed to get back all but 16,000 of our 94,000 pre-Katrina Gulf Coast basic subscribers, thanks in part to Tom Might's astute management and to the heroic efforts of our Gulf Coast Cable ONE associates and their colleagues from other systems who came to help them out. I'm also pleased to report that the number of high-speed data customers in the Gulf Coast is greater now than before the hurricane.

In the past 45 days we've added telephone service in Pocatello, Idaho, and Bartlesville, Oklahoma, and it's scheduled for rollout in half of the homes passed by the end of this year.

Cable ONE is producing extraordinary results in its many small- and medium-sized markets, partly because of the tailwind all cable companies have at their backs today and partly because of the management team Tom Might has assembled and its unique approach to a challenging business.

Across the board at The Washington Post Company, we have plenty of opportunity and plenty of challenges. We own no business with a clear and untroubled path to a bright future, but every business we own has good prospects for a business of its type. One tiny footnote: no Washington Post Company presentation would be complete without a word about pension accounting, and my word for this year is we have reduced our assumed return on plan assets from 7.5% to 6.5%, which will negatively affect our reported operating income this year by about $15 million.

# # #