

**Graham Holdings Company –  
Notice RE: Stock Tax Basis in GHC and CABO Stock  
after the July 1, 2015 Cable ONE Spin-off**

ARLINGTON, VA—July 10, 2015—Graham Holdings Company (NYSE:GHC) completed the spin-off of Cable ONE, effective at 12:01 a.m. on July 1, 2015. One share of Cable ONE common stock was distributed for each share of Class A or Class B common stock of Graham Holdings Company outstanding on the June 15, 2015, record date. Cable ONE now trades on the New York Stock Exchange under the ticker symbol “CABO.”

Legal counsel has advised us that GHC stockholders should not recognize gain or loss for U.S. Federal income tax purposes on the receipt of CABO stock, and that each GHC stockholder is required to apportion the tax basis of his or her GHC stock between his or her GHC and CABO stock in proportion to the relative fair market values of GHC and CABO as of the distribution. For more information on the tax consequences of the distribution, please refer to the registration statement on Form 10 filed by CABO on June 4, 2015, under the heading “The Spin-Off – Material U.S. Federal Income Tax Consequences of the Spin-Off”. A reasonable measure of fair market values as of the distribution is the average of the high and low trading prices on the NYSE on July 1, 2015. Using the average of the high and low trading prices is consistent with how Graham Holdings determines the fair market value of GHC stock under existing stock compensation plans. Based on these values, each stockholder’s pre-spin tax basis in GHC stock should be apportioned 62.04% to GHC stock and 37.96% to CABO stock. Graham Holdings completed IRS Form 8937: Report of Organizational Actions Affecting Basis of Securities and a signed copy has been posted on the [www.ghco.com](http://www.ghco.com) website. Please refer to this document.

We offer the following example: suppose you bought a share of GHC stock for \$1,000.00 prior to the spin. Effective July 1, 2015, the tax basis in your GHC stock will be \$620.40, and the tax basis in your CABO stock will be \$379.60.

Canadian Stockholders: Graham Holdings is in the process of filing a request with the Canadian tax authorities for the spin-off of Cable ONE to be treated as tax-free for Canadian tax purposes, consistent with the U.S. tax treatment. The Canadian filing requirements differ from the U.S filing requirements. Graham Holdings anticipates receiving approval from the Canadian tax authorities in the next few months, and will provide future updates as they become available.

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