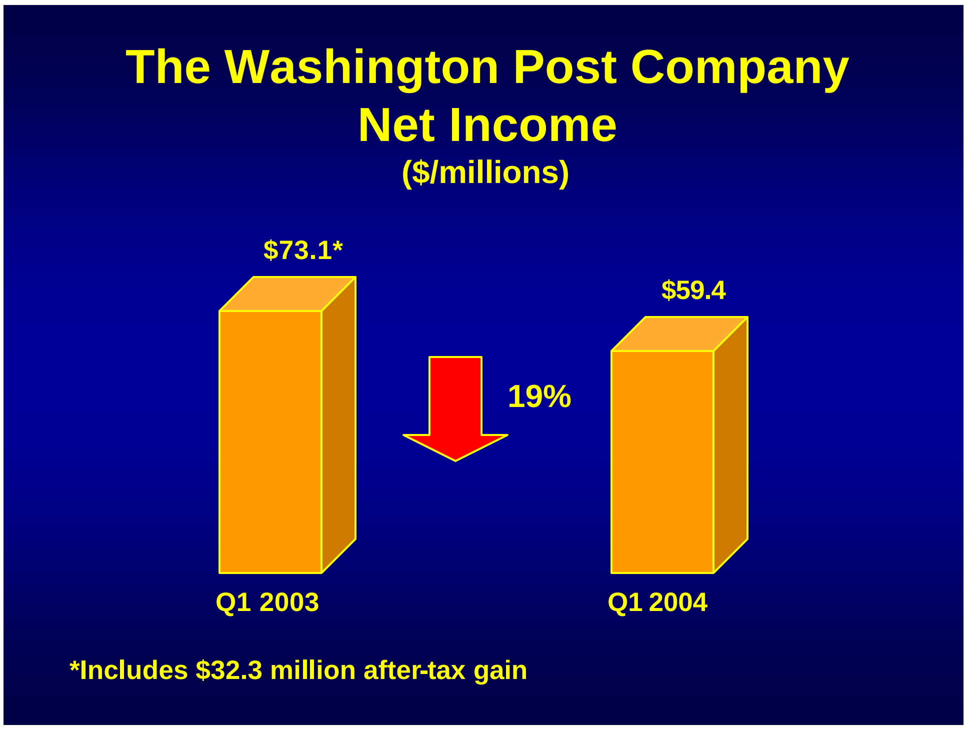
Annual Stockholders Meeting
May 13, 2004

Remarks by
Donald E. Graham
Chairman and Chief Executive Officer

Since we mailed the annual report only two months ago, I will speak just briefly this morning about the company's operations and leave plenty of time for your questions.

What's happened since you received your annual report? The biggest event, of course, has been the close of the first quarter. Let me summarize those results, first, by heaping praise on the corporate financial staff for finally delivering a quarter without one-time events to distort results.

Perhaps in penance, there was a major one-time event last year – the sale for $65 million of our interest in the International Herald Tribune. The gain winds up on the Other Income line.



Because of that sale, we actually recorded a decline in net income for the first quarter of 2004. But all of the operating divisions of the company posted surprisingly strong gains in revenue and in operating income in particular.

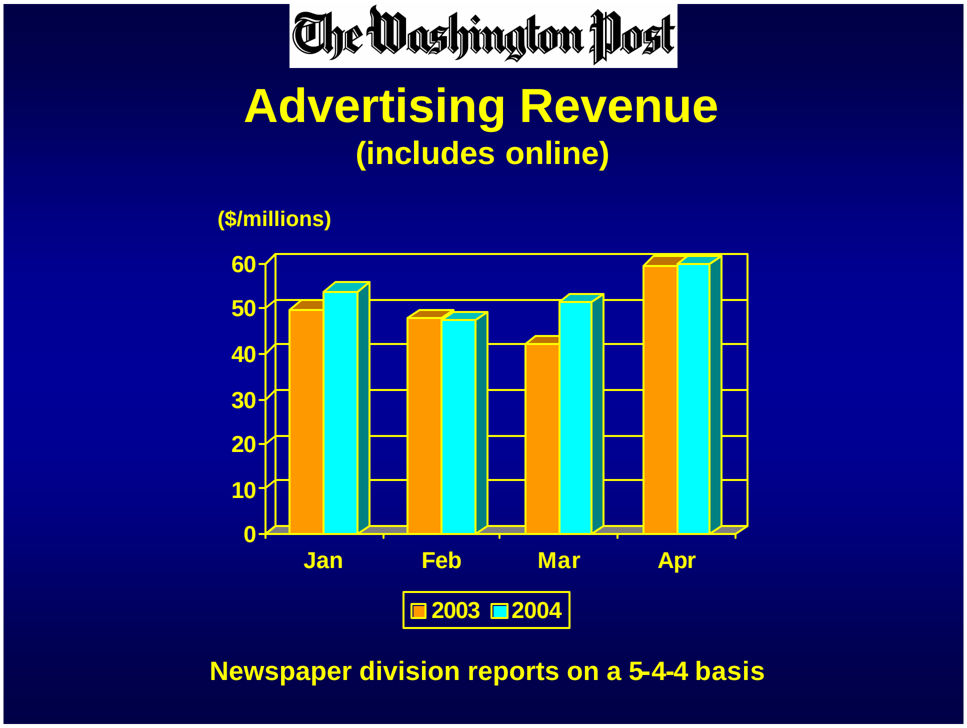
The Washington Post Company

	Revenue	Operating Income
Overall	↑ 19%	↑ 33%
Newspaper Publishing	↑ 7%	↑ 50%
Television Broadcasting	↑ 8%	↑ 19%
Magazine Publishing	↑ 9%	↑ 715%
Cable Television	↑ 10%	↑ 9%
Education	↑ 45%	↑ 30%

Q1 2003 vs. Q1 2004

As you've probably observed, total revenue for the company was up 19 percent, with the newspaper division up 7 percent, television up 8 percent, the magazine division up 9 percent, cable up 10 percent, and education up 45 percent, with part of that gain – but only part – coming from acquisitions.

Since we are having this meeting in Washington and many of those attending are associated with The Washington Post, I'll show the pattern of the newspaper's advertising revenue growth, by month, for the first four months of the year.



As you can see, March was by far the strongest of the four months, possibly because it was in March 2003 that the war in Iraq began, and advertisers pulled back. March was strong; April was flat, so we can say that the strong March numbers were not the start of a steady trend.

One form of advertising that goes at its own pace is recruitment. In monthly results, we see a pattern of year-over-year improvement in print recruitment and more so in online help-wanted.

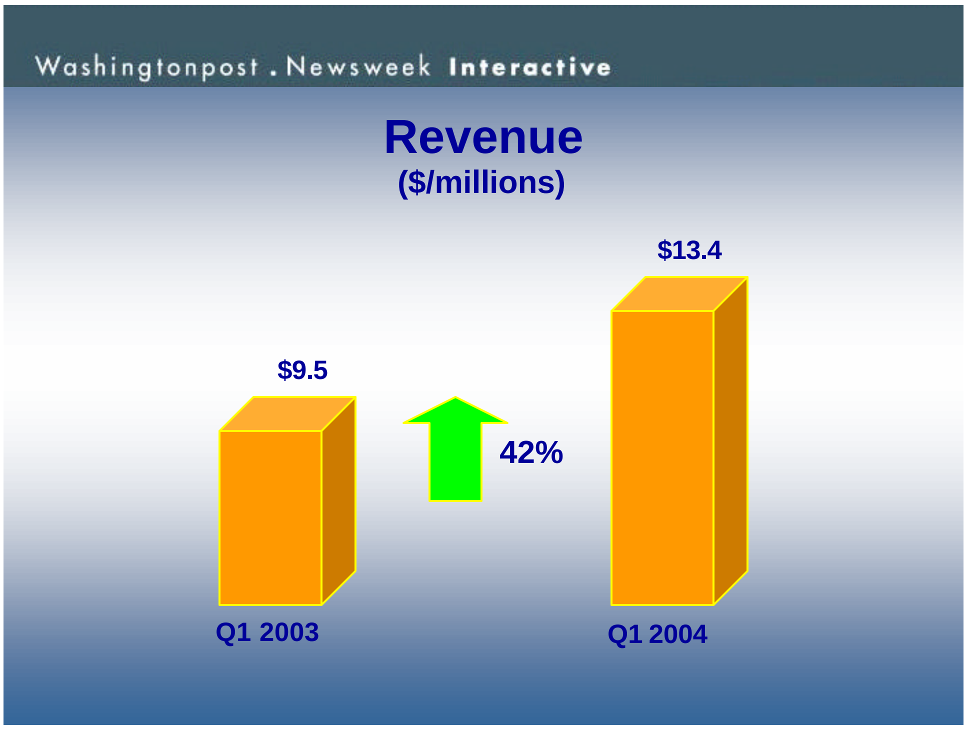
There were some who feared newspapers wouldn't come back from the decline in recruitment advertising of 2001 to 2003. It's plain from results to date that linage will indeed come back. The question is how far.

The Post, under publisher Bo Jones and president Steve Hills, turned in a most remarkable quarter, with print advertising revenue strongly ahead and expenses under good control, thanks in part to the buyout of 153 positions at the paper in 2003. This represents wise management by Bo over many years.

The newspaper division, which also includes Washingtonpost.Newsweek Interactive (WPNI), The Herald (in Everett, Washington) and The Gazette newspapers, was up about 50 percent in operating income for the quarter.

In April we learned that Anthony Shadid, The Post's brilliant correspondent in Iraq who stayed in Baghdad during the war and after, won the Pulitzer Prize for international reporting. Anthony also received the ASNE Award for Deadline News Reporting and the first Michael Kelly Award for courage in journalism.

These awards are gratifying, but all readers of The Post and all of our shareholders should understand the grave danger our correspondents are in as they go about their work in the Middle East.



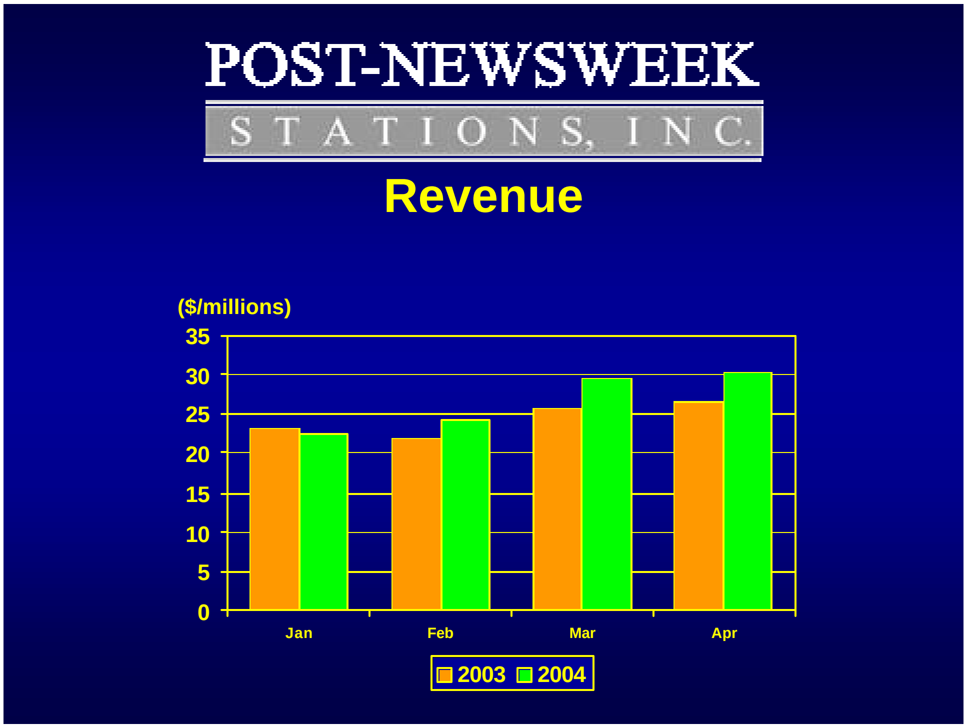
Revenue has boomed ahead at WPNI under the leadership of Caroline Little, our new CEO, and with great credit to The Washington Post sales force under Susan O'Leary, which sells a great deal of washingtonpost.com advertising.

In the Internet ad business, as in Wonderland, you have to run fast to stay in the same place. Our 42 percent revenue gains in the first quarter kept pace with the fastest growing newspaper web sites but trailed a handful of the national megasites. We feel good about our management, but we know we have to keep our audience and revenue expanding to claim online the place we've traditionally had in print.

Newsweek and the whole magazine division, which includes the FOSE trade show, recorded substantially improved first quarter revenues.

First quarter operating income also showed substantial increases.

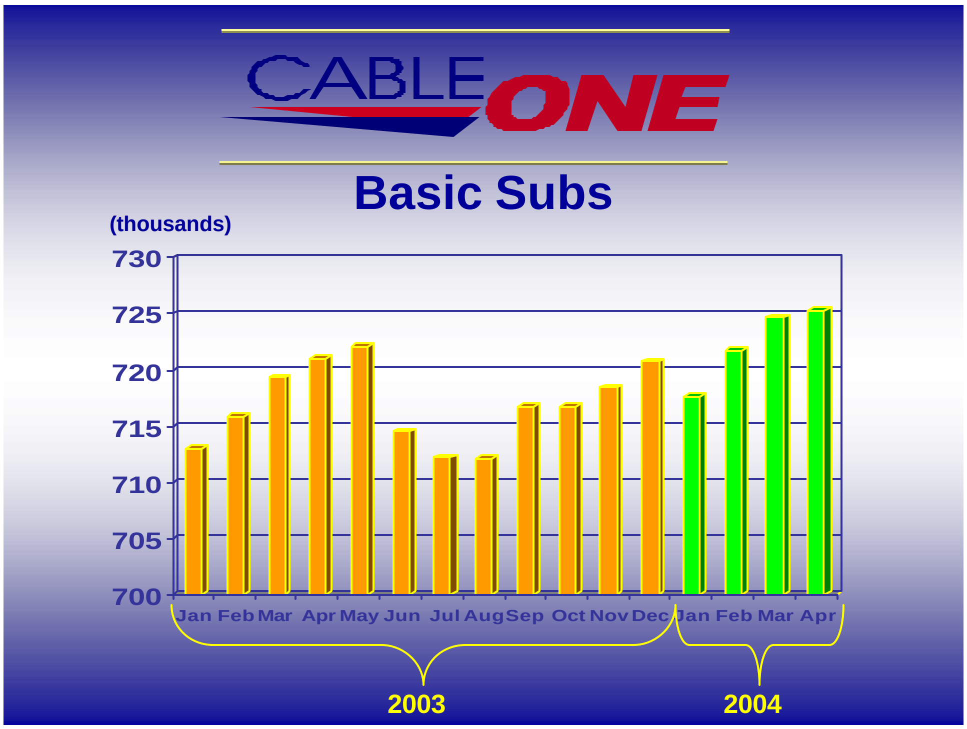
Last week Newsweek won the National Magazine Award for General Excellence for the three issues centered on the war in Iraq. I want to salute the remarkable courage and skill of Newsweek's Baghdad correspondents Rod Nordland and Melinda Liu.



Our television stations respond to a very different ad climate than do The Post and Newsweek. Overall, the quarter – but particularly March – was exceptional for Post-Newsweek Stations. It's still unclear whether the revenue jump in March represents a steady trend. Strong revenue growth continued in April, with some impact from early in the year political spending.

I would like to talk in a little more detail about our cable division, which has seen quite a significant change for the better since we met a year ago. At that time I was concerned – and even alarmed would not be too strong a word – by the decline in basic cable subscribers we were experiencing.

The ever-thoughtful Tom Might, CEO of Cable One, came up with a response that was not a single silver bullet, but a barrage of new rates, packages, improved service and new programming tiers.



All have had the effect of increasing our basic subscriber rolls, even after Cable One implemented a rate increase – its first in two years – on March 1.

Even with this marketing barrage, Cable One finished the year with the lowest cost per subscriber (out of the top nine publicly reporting MSOs), the lowest capital expenditures per sub and the highest free cash flow per sub.

Nonetheless, News Corp.'s acquisition of DirecTV will create substantial competitive pressures on all cable operators as the year goes on.

KAPLAN inc.

($/millions)

	Q1 2003	Q1 2004	% change
Revenue	$177.8	$258.3	45%
Operating Income	$15.9	$20.6	30%

Our education business obviously had an exceptional quarter, with revenue up 45 percent and operating income up 30 percent. If anything, these results understate Kaplan's progress, because the biggest business we acquired last year, Financial Training Company or FTC (which prepares students in the U.K. for the equivalent of our CPA exam), traditionally loses money in the first quarter of the year.

I wrote at great length about Kaplan's progress and about Jonathan Grayer's management prowess in the annual report, and I don't want to repeat it to you.

But these numbers are remarkable; they reflect astute recent acquisitions as well as excellent operation of existing and acquired businesses in many fields.

At the same time, I want to caution that the education business is not an oil well of infinite potential that will drive results substantially higher indefinitely.

While there are quite a few public companies in the field – notably the amazing Apollo – that have been extraordinarily successful for many years, experienced investors can point to other well-known companies whose educational investments didn't pan out so well.

We're fortunate to have remarkable management pushing us ahead hard in all sectors in which Kaplan operates. But all of these sectors are competitive, and first quarter results reflect almost all cylinders firing in a manner that will be hard always to duplicate in the future.

I'd like to close by repeating what I said in the annual report about the service on the board of directors of Dan Burke and Ralph Gomory, who are retiring from the board after this meeting.

Ralph and Dan, in very different ways, brought incredible strength to the board. Dan, in collaboration with Tom Murphy, was perhaps the ablest communications company operator of the late 20th century. Ralph is a gifted technologist with a different insight into the basics of business and full of questions about everyone's most cherished assumptions. Shareholders should be extremely grateful for their service – and equally pleased that Ron Olson joined the board as of last September.

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