

Mid-Year Media Review
New York
June 22, 2004

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

The Washington Post Company

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Tuesday, June 22, 2004**

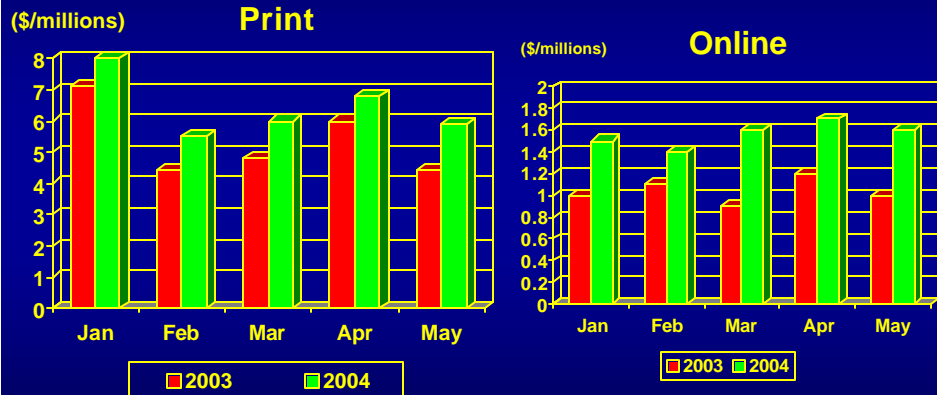
The presentation at this meeting contains certain forward-looking statements that are based largely on the Company's current expectations. Forward-looking statements are subject to certain risks and uncertainties that could cause actual results and achievements to differ materially from those expressed in the forward-looking statements. For more information about these forward-looking statements and related risks, please refer to the section titled "Forward-looking Statements" in Part 1 of the Company's Annual Report on Form 10-K and the section titled "Risk Factors" under "Shareholders" on the Company's website, www.washpostco.com.

For the past three years, I've had to come up here and say that business was various shades of terrible. I can now give you a different message: business isn't great, but it's not bad. Results vary across our advertising-based businesses, with Newsweek pretty good, the newspaper better, and our TV division strengthening in this political and Olympics year. Cable continues to make progress. And Kaplan is firing on most cylinders.

Let's look briefly at our operations one at a time.

The Washington Post

Recruitment Ad Revenue

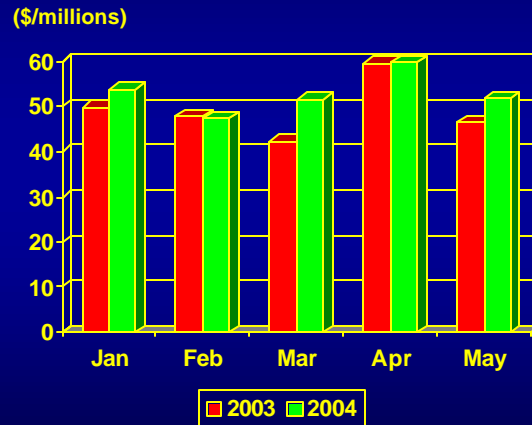


Newspaper division reports on a 5-4-4 basis

Advertising revenue at The Washington Post has bounced around month to month, but like other newspaper companies you'll be hearing from, help-wanted is a bright spot. Government contractor hiring is driving Washington to a better jobs performance perhaps than elsewhere in the country. Generally speaking, in previous years help-wanted has been a pretty good indicator of the health of the Washington market overall. I can't remember a time when, if recruitment was consistently strong, the rest of the economy didn't follow. These two charts illustrate the point. You see recruitment performance in print and online for the first five months of the year.

The Washington Post

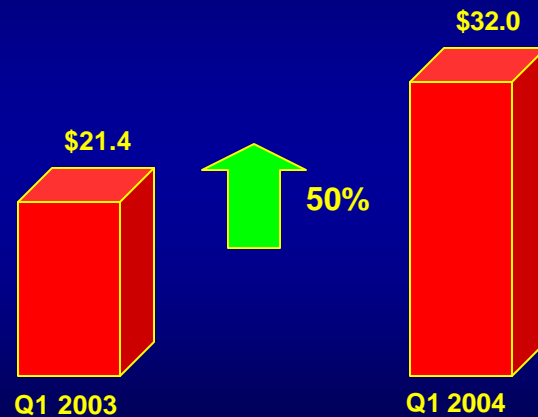
Total Advertising Revenue (includes online)



Newspaper division reports on a 5-4-4 basis

Now here is The Post's total ad revenue performance during that period. We're not any better forecasters than we used to be, so I can't say what the rest of the year will be like. But obviously if you take these five months in total, we're seeing a much better picture than a year ago.

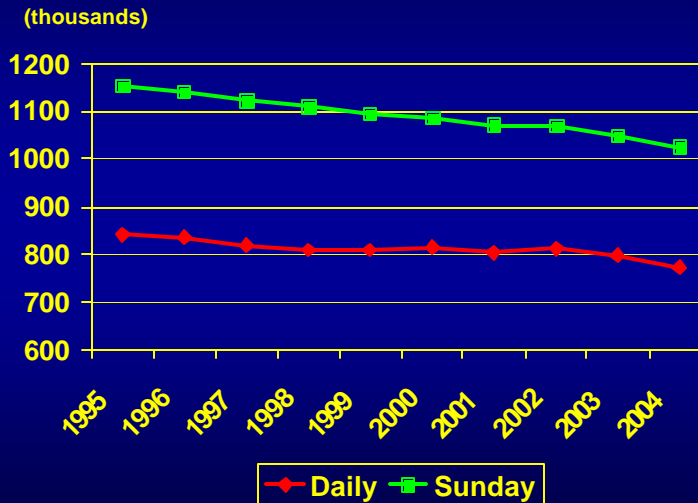
Newspaper Division Operating Income (\$/millions)



Post publisher Bo Jones and president Steve Hills, and the rest of the gang, have held down tightly on expenses, so profits improved quite a bit at the newspaper division in the first quarter, as you've seen. We've also benefited substantially from the buyout we offered last year.

The Washington Post

Circulation



Source: ABC March Publishers Statements

Circulation performance was disappointing, and I have to realistically tell you that after years of small declines in daily and Sunday circulation, I can't predict that we'll turn that around.

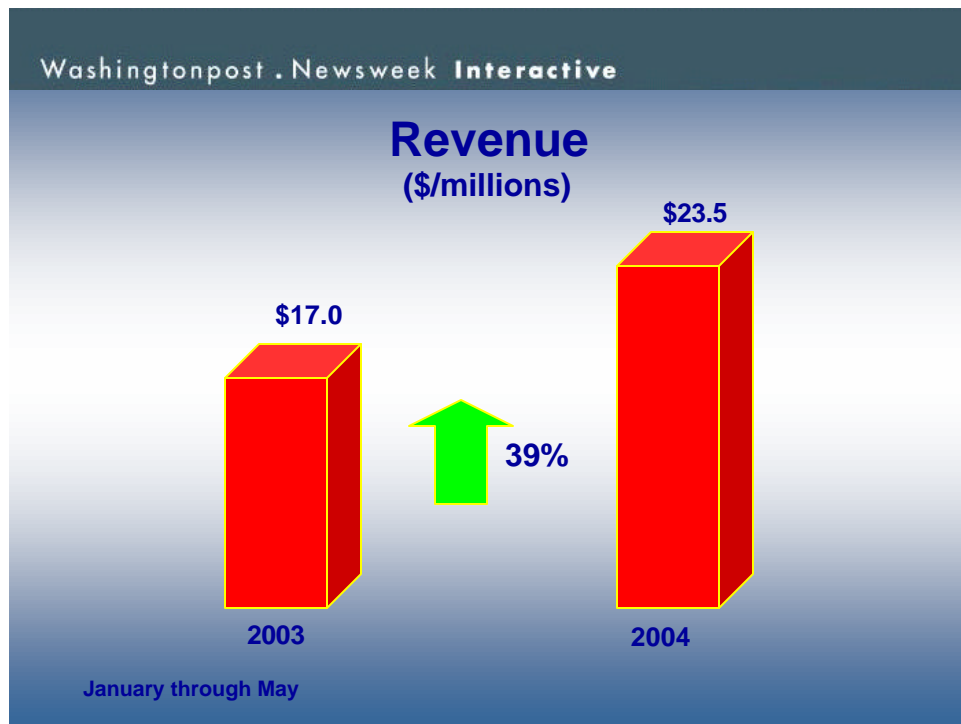
Our goal is to do as well in circulation as any metropolitan newspaper, understanding that ABC statements have to be slightly adjusted for the different ways companies account for third-party paid circulation. We haven't been achieving that goal in the past couple of years, but from what I see of current Washington Post circulation management, I think we will.

Keeping circulation at the newspaper strong and growing readership online are linked importantly. We want to have massive penetration of the Washington market in print and online, and then see what we can achieve online nationally and internationally. We think this could be the basis of quite a strong business.

If you've read a copy of The Post or Newsweek this year, or read them online, you'll understand why I'm so proud of the journalistic performance of these two organizations. Anthony Shadid, The Post's brilliant correspondent in Iraq who stayed in Baghdad during the war and after, won this year's Pulitzer Prize for international reporting.

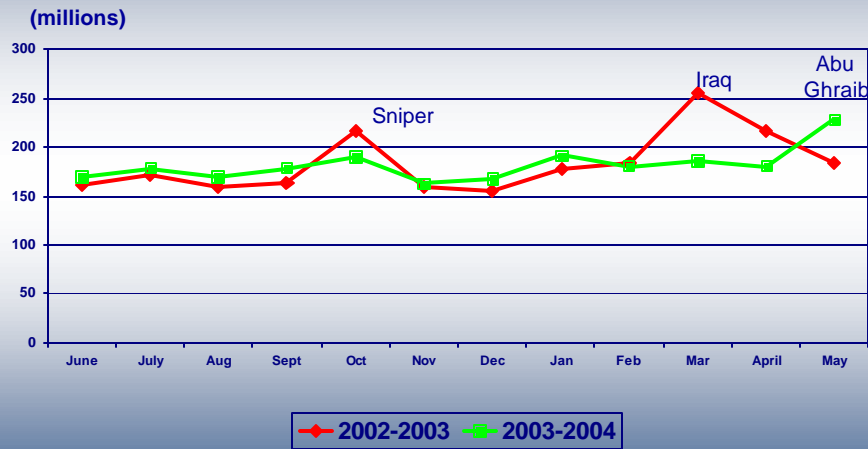
If you want to know what underlies the economic performance of our companies and others reporting to you this week, search on washingtonpost.com for two stories by a reporter named Dan Williams that appeared earlier this month describing what it's like covering Iraq these days. It's worth remembering that in

addition to the dollars and cents that rightly matter most to those analyzing the business for shareholders, The Post Company is doing quite well in another large area of responsibility.



I should say a word about the financial performance of Washingtonpost.Newsweek Interactive (WPNI) and washingtonpost.com. As you can see, through the first five months, revenue has been growing very healthily indeed. A new CEO, Caroline Little, took over at the beginning of the year and is performing outstandingly.

Monthly Page Views



Source: Internal estimates

Audience growth has slowed in the past 24 months from the torrid pace of the site's early years. Requiring registration at the beginning of the year may have slowed traffic growth. But traffic does continue to grow, and we continue to let everyone in the Washington market and the rest of the country know how good the site is and how valuable is its information.

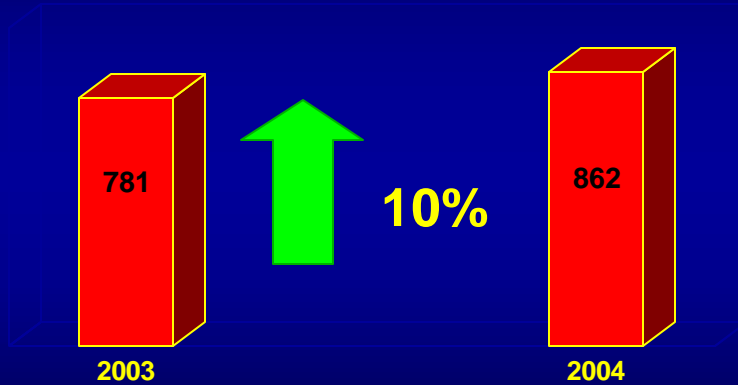
If you want to know if Americans care about the news: On the first day that The Post uniquely had photos relating to the Abu Ghraib prison scandal, our page views – which typically average about 7 million on weekdays – came in at 22 million.

There are two additional newspaper-related developments of note. In May we acquired El Tiempo Latino, a leading Spanish-language free weekly in the greater Washington area. It will play an important role in The Post's ongoing efforts to reach the growing local Spanish-speaking community.

In August 2003 we launched Express, a weekday tabloid distributed free-of-charge at Metro stations and on downtown streets and college campuses. Express is designed to be read in 15 to 20 minutes, during the morning commute or breaks in the workday. The print run has grown to around 150,000 a day.

Newsweek

Domestic Ad Pages



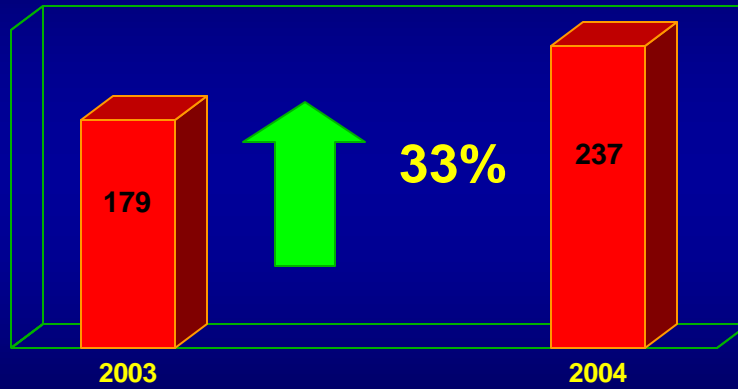
January through May

Source: PIB

Newsweek won the National Magazine Award for General Excellence for the second time in the past three years and had the great pleasure of receiving this award in a spring when business also was quite good. The magazine is up 10% in PIB domestic ad pages so far this year and retains its extremely strong circulation appeal.

Newsweek

International Ad Pages



January through May

Source: CMR

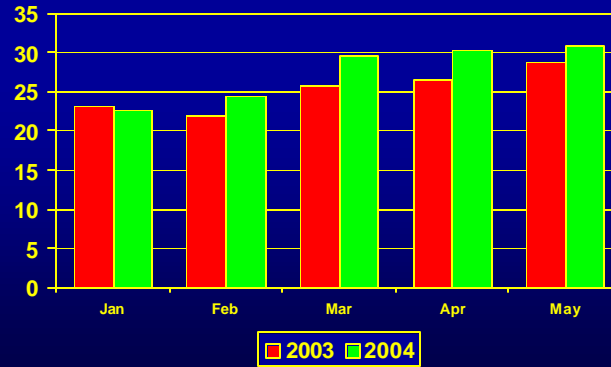
Even Newsweek International has seen substantial growth in ad pages. This time last year the horrendous drop in Asia ad pages – as a result of SARS and the war – took a real toll, making year-over-year comparisons easier.

POST-NEWSWEEK

STATIONS, INC.

Revenue

(\$/millions)



9%

In broadcast television, the revenue increase through the first five months of the year is 9%, with month over month increases beginning in February.

POST-NEWSWEEK

STATIONS, INC.

Station Ratings

	6 p.m. News	Late News
WDIV – Detroit	1*	1
KPRC – Houston	3	3
WPLG – Miami	2	3
WKMG – Orlando	3	1
KSAT – San Antonio	1	3
WJXT – Jacksonville	1	1**

*tied

**10 p.m. News

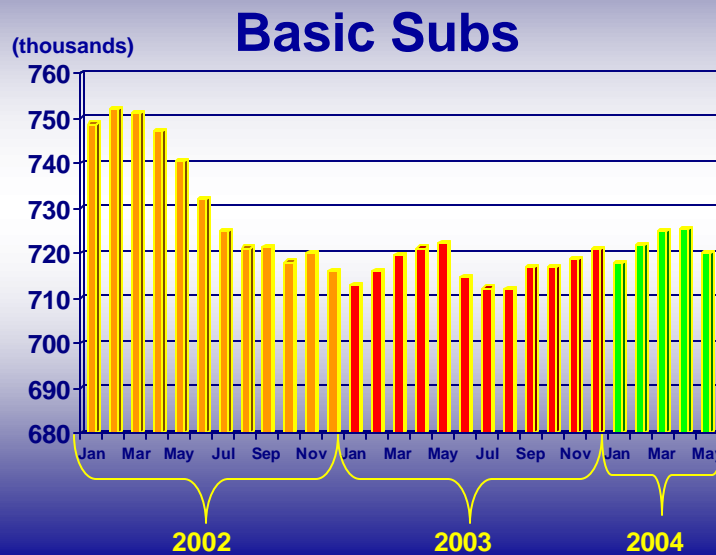
Source: Nielson May 2004

Because of the very strong ratings performance of our stations and the coincidence of a Presidential election and the Olympics this year, we know Post-Newsweek Stations will have a strong 2004. You will recall that three of our six stations are in a mildly contested state called Florida.

In 1997 we traded our station in Hartford for what is now WKMG in Orlando and paid \$60 million to Meredith as part of the deal. We'd be hard pressed to say that the economic performance of the station has justified the trade so far.

But in the past couple of years we've finally got the right person – Henry Maldonado – running the station, and WKMG looks as if it will take its place in the top echelon of PNS stations in ratings and margins.

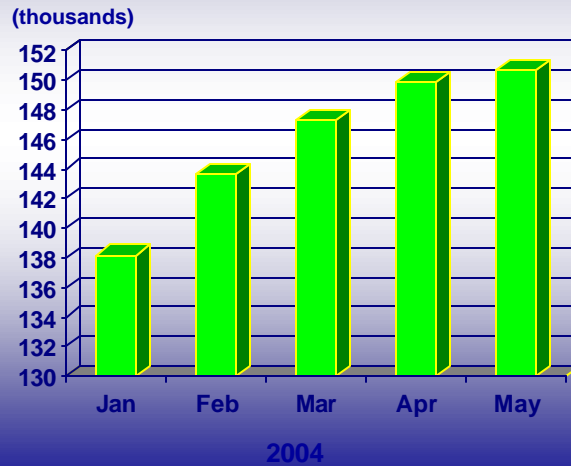
When WJXT in Jacksonville ceased being a CBS affiliate and went independent, I said that rather than tearing up the roots every three months, I would report on its progress and financial results in December of this year. When we meet again, I will provide that information in complete detail. The station's ratings performance in May was good, as it has been since it became an independent.



Cable One presents a pretty strong picture. In 2002 we experienced a significant drop in basic subscriber count, partly owing to bad-debt experience and partly because of competition with satellite providers. We responded last year with an array of pricing and marketing programs that brought us back ahead in subscriber count by year-end. So far, in 2004 the basic subscriber count is up against last year, despite a \$2 per month rate increase for most of our basic subs.



Cable Modem Subscriber Growth



Cable modems continued to grow through the first five months of this year, although the pace of growth has slowed because the RBOCs, with their cut-rate offer for somewhat lower quality service, succeeded in selling more DSL connections than in the past. We plan a strong competitive response.

We have no doubt that the competitive pressures from DirecTV and EchoStar will be intense. But little Cable One may be in surprisingly strong shape to compete with what we know will be outstanding marketing by the satellite companies.



In education, the news continues to be quite good. We've made a small number of new acquisitions, mostly of U.S. colleges. At the time we bought Quest Education Corporation in 2000, we had 13,400 students, on 30 campuses, in 11 states. On top of the \$178 million investment for Quest, we've spent \$117 for additional Higher Education acquisitions and campuses we've opened ourselves. We now have roughly 30,000 students, on 67 campuses, in 16 states. We expect to continue growing in this area.

I also can report to shareholders that last year's acquisitions of the Financial Training Company (or FTC) in the U.K. and the Dublin Business School look like good ones. They brought top-flight management teams headed by William Macpherson in London and Michael Meagher in Dublin, who were running the companies before we bought them, continue to run them today, and we hope will run them for a long time to come. The acquisitions of FTC and Dublin do open up some new opportunities for Kaplan.

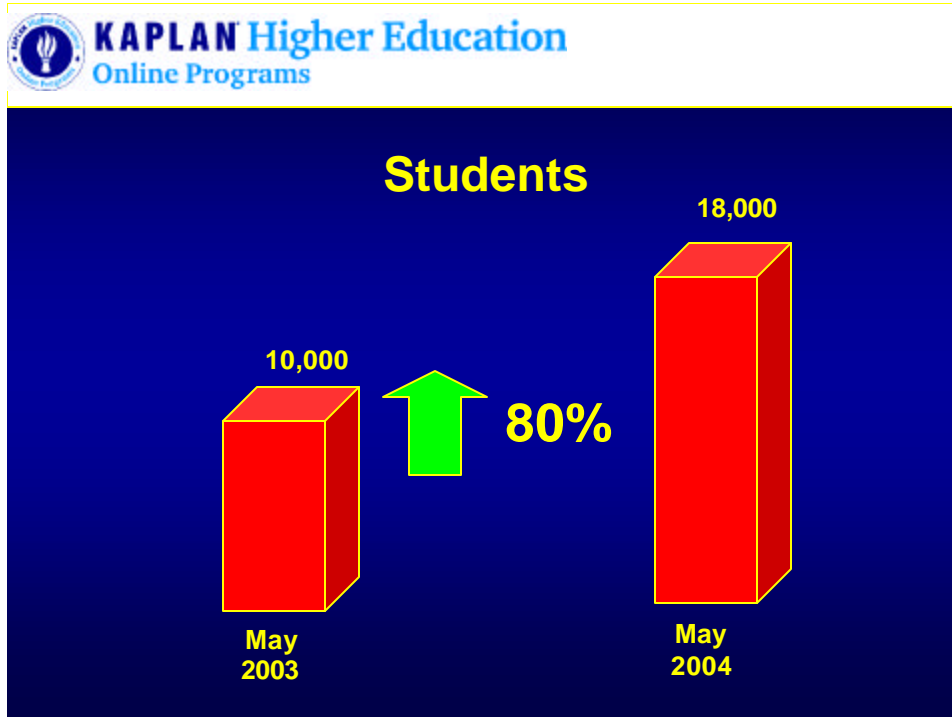
It has been one of our strengths in education that we have successfully acquired U.S. colleges, professional training companies, and a few small test prep companies. Now we can also acquire, very selectively, education companies overseas in what we consider to be stable markets where these services are valued.



Revenue (\$/millions)

	<u>Q1 2003</u>	<u>Q1 2004</u>	<u>% change</u>
Supplemental education	\$98.2	\$135.6	 38%
Higher education	\$79.6	\$122.7	 54%

Kaplan's ongoing businesses continue to grow very strongly across the board. Kaplan Professional, Test Prep and Score, which make up Supplemental education, all have turned in solid revenue growth this year. At Higher education, which also includes brick-and-mortar schools, online is growing fastest of all.



To give you some idea of the rate of this growth, consider that a year ago at this time we had 10,000 Kaplan Higher Ed online students. Today we have 18,000.

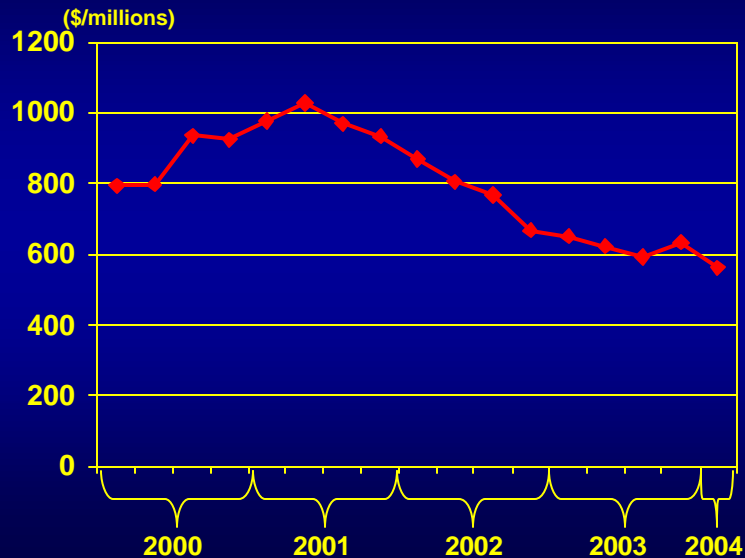
There are a lot of plusses to online education. It's a perfect fit for the crammed schedules of adults today. And it provides education opportunities for people not living near an educational program or a university that fits their needs. We're not the only outfit rushing to offer students online education, but we think our programs are among the best. We think so much of the future of this business that Andy Rosen, Kaplan's president and chief operating officer, has moved to the Kaplan online headquarters in South Florida to manage it.

We understand that higher ed – both online and in the classroom – is a highly regulated business. It calls for meticulous execution and strong values at every level. Happily, we don't strive to turn in a particular quarterly result, which makes it easier for us to meet our regulatory responsibilities. But it does take careful execution at every college we own.

I also repeat here everything I've said before about the difficulties of the education business, the competitive pressures of the field – and the edge Kaplan derives from its especially deep management team headed by Jonathan Grayer and Andy Rosen.

In closing, I'll spare you my customary remarks about the pension credit, but I'd like to point out a few financial details. Our expenses related to Sarbanes-Oxley will approximate \$5 million this year. Thank God we're a small company!

The Washington Post Company Debt



On a brighter note, our debt had shrunk to \$562 million at the end of the first quarter – and is already down another \$40 million – after peaking at \$1 billion in 2001. It's also nice to see that both Moody's and S&P have raised our credit outlook from negative to stable. Although I'd like to see our debt go down more, I'd prefer to fund excellent businesses that grow the value of the company.

And now for your questions.

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